

EUROPEAN NEWS

Yugoslavia to give freer rein to market forces

BY ANTHONY ROBINSON IN BELGRADE

EVIDENCE THAT Yugoslavia's new collective leadership has opted for a pragmatic approach to the country's economic and social problems, including a new legal framework for small private enterprise, is expected to emerge shortly through measures to revitalise the economy and strengthen the self-management system.

The general outlines of thinking among the collective state and party leaderships emerged during a four-day discussion here with Mr Stane Dolanc, a member of the 23-man party presidium and former secretary of the Yugoslav League of Communists.

The starting point is the assumption that Yugoslavia is living beyond its means and

that a more realistic approach is needed both in the economy and in conceptions of what a Socialist society means. As Mr Dolanc described the situation: "Some people seem to believe that Socialism is just social welfare, that they don't have to work, and that other people will take care of their problems. In fact Socialist society also has its conflicts and contradictions, and these have to be faced."

The main factor clarifying the leadership's collective thinking has clearly been sharpened by Yugoslavia's declining international competitiveness and last year's nearly \$4bn payments deficit. Now the message is being spread that the solution to economic and social problems lies in the traditional

virtues of "higher productivity, harder work and higher savings."

It is thus intended to increase the efficiency of the system by a series of measures which will "give freer rein to the play of basic market forces."

This will entail prices to be fixed according to market forces, changes in the taxation system, greater encouragement of savings, investment cutbacks (in both the economic and social sectors) and other measures to promote higher productivity and higher exports.

Taxation reforms will be aimed at stopping Yugoslavians from earning high, tax-free sums from moonlighting and other private activities. The latest thinking is that the private

sector must be brought out of its present semi-clandestine existence and be provided with a legal framework which will permit small private services and industrial companies to exist openly.

Something like this already exists in the republic of Slovenia where special legislation for the so-called "Mala Privreda," or small economy, has already created such a legal framework.

In this way, the private sector will also be obliged to pay its fair share of taxes and other social contributions. This is expected to curtail the sort of conspicuous consumption which has an unsettling effect socially, as well as provide new jobs and valuable services and

products.

In this way the socially-owned sector, too, is expected to benefit from the flexibility provided by private sub-contractors and suppliers.

According to current thinking this will not in any way represent a threat to the self-managing system which is, and remains, the basis of the economy. Clearly, however, there are those in Yugoslavia who have doubts about the system and Mr Dolanc admitted that there are those who "call for a strong hand."

The last major effort at economic reform took place in 1965 when, with IMF and World Bank assistance, Yugoslavia introduced the basic elements of market oriented Socialism.

One of the side effects, however, was a sharp increase in unemployment and emigration.

Unemployment remains a problem but the leadership believes that the new measures will be accompanied by the creation of extra jobs in the private sector to compensate for the shedding of labour from inefficient enterprises.

They also believe that much unemployment is due to structural problems which also have to be tackled. In Slovenia, for example, there are over 60,000 unfilled vacancies and there are shortages of skilled people everywhere. One problem however, is that the educational system turns out too many humanists and not enough scientists.

Sluggish growth and 20% inflation forecast for Ireland

BY STEWART DALY IN DUBLIN

A GLOOMY picture of Ireland's prospects, with minimal economic growth and an inflation rate approaching 20 per cent, has emerged in reports from leading economic forecasters in Dublin.

The dire predictions come against a background of a strike at Aer Lingus, the national airline, and the possibility of a new postal strike.

The central bank in its annual report says that GNP will grow by only 0.5 per cent this year, while inflation will be 18.5 per cent. Worst of all, the central bank says the balance of payments deficit on current account will not be substantially different this year at £1740m (\$680m) as it was in 1979.

The main cause of the large balance of payments deficit, which the central bank says is twice the average of other EEC countries in terms of GNP, is the increased cost of oil imports. The net oil import bill rose from £533m in 1978 to £1,010m in 1979 and is likely to be £1,800m this year.

The central bank says the Government must slash the public sector borrowing requirement, which is 10.4 per cent of GNP, and reduce the balance of payments deficit.

The Central Statistics Office will apparently soon produce figures which show that inflation in Ireland is now running at 20 per cent. The Confederation of Irish Industry and the Economic and Social Research Institute, says that business confidence is at its lowest ebb since 1973. Their survey says that output has stopped growing in most large companies. There could be cutbacks in the work force and that many companies are reducing stock levels.

The strike at Aer Lingus involves 950 craftsmen who are members of nine separate unions. They are arguing about pay differentials and it seems that despite the intervention of Mr. Gene Fitzgerald, the Minister for Labour, the dispute will now drag on for several weeks.

The postal workers have rejected a new pay offer. The members of the 13,000-strong Post Office Workers' Union voted by 8,642 to 1,473 votes to throw out pay proposals. When their four-month strike ended last June, the workers accepted an interim 1.5 per cent increase. A condition was that a new settlement would follow. But the latest offer of 5 per cent to postmen and between 9 and 11 per cent to clerks and sorters has been called unacceptable.

Few candidates seek to follow Jenkins as 'Mr. Europe'

BY JOHN WYLES IN BRUSSELS

WANTED, Man of broad experience to fill top international job coming vacant at the end of the year. Must have political skills but not too many, and independence of mind, but not too much. Ability needed to work closely with people of other nationalities of varying degrees of competence. Post for two years, usually renewed for another two. Salary around £60,000, good fringe benefits and numerous opportunities for travel.

The job, of course, has not been advertised but it will be filled next week by EEC heads of government at their meeting in Venice. The Community will then have a new president of the Commission ready to take over at the end of the year—a new "Mr. Europe" as Mr. Roy Jenkins was christened during the British Press's short burst of uncritical enthusiasm for the European idea.

The label has a hollow ring these days, when the Community has only just ended one bitter inter-state battle (over British budget contributions) and faces several more in the coming years (reform of the Common Agricultural Policy, the size and shape of the Community budget, to mention but two).

Given the uncertain outlook and the clear lack of consensus among the Nine about where the Community should be going, the choice of Mr. Jenkins' successor is arguably one of the most critical decisions which EEC governments have to take this or any year.

Unfortunately, the EEC leaders will have a crowded agenda to cover in a few short hours next week, which means there is unlikely to be much discussion of the qualities needed in a president of the Commission, nor indeed of the opinions he ought to hold about the Community.

Least objectionable

While Mr. Jenkins was chosen almost by acclamation, once his readiness to accept had been discreetly communicated, the man (not much opportunity for a woman at this level of Community politics) selected next week looks likely to be who is least objectionable to the assembled heads of government. metoetin shridu etatin etoatin

The contrast with the Jenkins appointment (enthusiastic European politician of international repute) tells us much about the Community's current malaise.

Without intending to slight the known candidates, or indeed the final nominee, it can be said that there seem to be precious few men of public renown anxious to wear the crown of "Mr. Europe." This is partly because neither France, West Germany nor the UK will be providing candidates, but there are surely other explanations.

Could the reason be that the job seems to lack enough influence to compensate for regular exposure to Chancellor Helmut Schmidt's had temper or President Valéry Giscard d'Estaing's hauteur? Could it be that men who might have been tempted 10 years ago, see now that the European Commission and its president have been eclipsed by national governments, for whom the Commission is both servant and a whipping boy? Or could it be that too many potential candidates have been reading the "three wise men"?

Messrs. Barand Bisbeuvel, Edmund Dell and Robert Marjolijn were conscripted by the heads of government "to consider adjustments to the machinery and procedures of the Community institutions."

Their 118-page report, presented last October, depicted a

set of institutions that are groaning under an intolerable burden of work, with the role and authority of the Commission having especially declined in recent years. This is partly because the Council of Ministers (representing the nine member states) all too often ignore Commission proposals and partly because the Commission's own internal operations have become increasingly inefficient.

Team work

"There has been a loss of collegiality in its members' method of working, combined with inadequate internal co-ordination," said the "three wise men." With the last point they meant simply that the president and his 12 (soon to be 13 with the accession of Greece) Commissioners colleagues were unable to work effectively as a team.

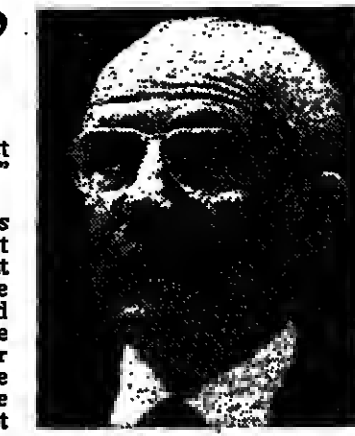
This is a difficult enough problem for any new president to assume; but there is worse. "The authority of the Commission's president needs strengthening in every way possible," said the report, which suggested that he should have a greater say over the distribution of portfolios among his Commis-

sioner colleagues and "must ultimately have the last word" on the matter.

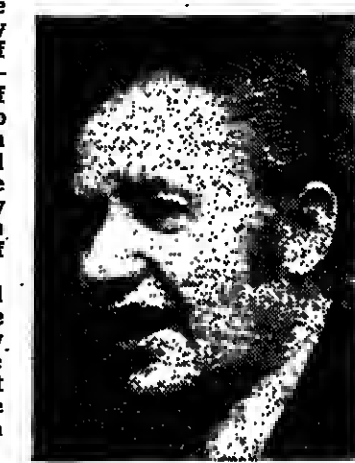
Many senior Eurocrats believe that the new president and his colleagues offer the last chance to retrieve some of the Commission's former status and halt its slide into a mere secretariat and foot soldier for member governments. The president must, they believe, be a senior politician of at least equivalent standing to Mr. Jenkins but with more interest in and flair for managing and controlling a bureaucracy.

None of the names gossiped around Brussels as possible candidates for the presidency has sent any kind of frisson of excitement through the Commission. If M. Gaston Thorn of Luxembourg, or Sig. Filippo Maria Pandolfi of Italy or a dark—and so far unidentified—horse is eventually the Venice summit's choice, he is unlikely to be overburdened with a Community-wide sense of expectation and anticipation.

Barand Bisbeuvel of Holland was once talked of as a possible candidate for the presidency, and is said to have made sure that his Prime Minister will not nominate him. As a "wise man," he obviously read his own report.



Two possible contenders: Sig. Pandolfi of Italy (above) and M. Thorn of Luxembourg (below)



W. German police battle nuclear protesters

By Roger Boyes in Bonn

WEST GERMAN police and frontier guards yesterday used water cannons, helicopter squadrons and armoured cars to disperse over 2,000 demonstrators who for the past few weeks have been holding up test drillings for a planned nuclear waste storage centre in Gorleben.

Major clashes had been expected but a police spokesman said there had been few violent incidents. Earlier protests against planned nuclear reactors in the German villages of Wyl, Grohnde and Brokdröf had sparked off serious confrontations and caused political embarrassment to the local state governments.

Gorleben, in Lower Saxony, is an especially delicate case because it was the centrepiece of the Bonn Government's policy on nuclear energy. The regional plan was to build a comprehensive reprocessing and waste storage centre there which could end the deadlock on nuclear energy in Germany. The commissioning of new power stations has been held up in several states because of legal objections that no adequate provision has been made for the nuclear waste.

However, Herr Ernst Albrecht, Premier of Lower Saxony, turned down the plan on the grounds that it was politically unworkable. He said, "The waste could be used for waste storage—but not reprocessing—provided test drilling indicated that the area was suitable. Three out of four drillings have now been taken but the demonstrators have been holding up the final one."

Gorleben has become the rallying point for the diverse ecological groups in the country and has helped the anti-nuclear "Greens" party, an important force in communal and state politics.

Strike called against French health changes

PARIS—France's main trade unions have called a 24-hour strike throughout the country today to protest against Government plans to change health insurance payments.

The strike, like a stoppage on May 13, is expected to disrupt rail traffic, as well as gas, electricity and postal services. There will be no newspapers. Banks may be affected and many surgeries will be closed except for urgent cases. Reuter

New Norwegian offshore rules attacked

BY FAY GJETER IN OSLO

NEW PROPOSALS to regulate Norwegian offshore petroleum activities have been sharply attacked by NIFO, the organisation representing the 14 oil companies with operator status on Norway's offshore concessions.

The draft law appears to provide for "an unnecessary toughening" of conditions affecting the oil companies, says NIFO, arguing that as long as the existing rules have no obvious defects they should not be changed significantly. If they are, it could create doubts internationally about the stability of Norway's oil policy.

N. Sea find by Danish group

By Hilary Barnes in Copenhagen

INDICATIONS of hydrocarbons have been found in an exploratory well, Lnin 1, about 230 kms north-west of Esbjerg in the Danish sector of the North Sea, according to AP Moeller, one of the companies concerned.

An official of the Danish Energy Directorate was quoted as saying, however, that the well looked promising.

which NIFO dislikes include:

- The wide scope it gives to the authorities to intervene in purely technical and business matters.
- Oil companies would lose the right to take disputes with the Government to independent arbitration. Instead, all such disputes would have to be settled through the courts, which, says NIFO, have less power to reverse official decisions.
- A provision enabling the Government to force the oil companies to undertake certain investments, by threatening to withdraw their concessions if they do not comply.

Swedes to market synthetic fuel

BY VICTOR KAYETZ IN STOCKHOLM

BOLIDEN, the Stockholm metals and chemicals group, has bought the patent for Carbolgel, an oil-like fuel made by liquefying crushed and purified coal. It will develop and market the fuel with Scaniainventor, the small south Swedish company which devised it.

Mr. John Dahlgren, managing director of Boliden, describes the investment as one of the largest ever made by his group on a single innovation.

The proposal that the State should be able to requisition oil from the oil companies—over and above the amount it is entitled to, as royalty oil—in order to meet its obligations to third parties under supply agreements.

The only operator oil company which does not back all NIFO's objections is Statoil, the state oil concern. In a separate comment to the Oil Ministry, it centres its main criticisms on the ambiguous wording of some sections of the draft.

It does object, however, to the provision which empowers the Government to force a con-

cession holder to exploit a find. Given its status as a partner in all new finds (with a minimum 50 per cent stake), Statoil believes it will be able to regulate exploitation satisfactorily on its own without the help of the Oil Ministry.

It was also announced yesterday that the Alexander Kjeland hotel rig which capsized in the North Sea two months ago, killing 123 workers, might be righted again next month. Mr. Andreas Cappelen, the Justice Minister, told Parliament that the rig's owners are trying to speed up studies to see if the operation is feasible.

for its own manufacture of sulphuric acid and paints. Carbolgel can also replace oil as feedstock in the production of artificial fertiliser by the group's subsidiary, Supra.

A newly formed company, AB Carbolgel, with Boliden and Scaniainventor as equal partners, will perfect the fuel-making process and sell licences for it internationally. In Scandinavia Boliden will have exclusive rights.

Extremists raid Rome embassy

By Rupert Cornwell in Rome

PRO-KHOMENI Iranian extremists appear to have been responsible for an attack on the Iraqi consulate and embassy in central Rome, yesterday. One Iraqi guard was killed and a terrorist was wounded.

The attack, which further emphasises the role of the Italian capital as a theatre in which Middle East feuds are acted out, took place shortly before noon. Two men burst into the Iraqi diplomatic compound and killed a guard before coming under fire from others protecting the embassy.

One of the attackers was later taken to hospital with serious injuries. The other fled after leaving a suitcase bomb which the police were able to defuse. Witnesses said one of the raiders repeatedly shouted "Long live Khomeini!"

The incident seems to be the first attack by Iranians on an Iraqi diplomatic mission. For the Italians it is worrying evidence of the case with which extremists can move in and out of the country.

6,000 will cover Games

ZURICH—Soviet officials say they expect 6,000 journalists to attend the Moscow summer Olympics beginning on July 19. Mr. Yevolod Sovva, an official of the press department of the Moscow Organising Committee, said in Zurich that requests for accreditation were only slightly fewer than expected at about 6,000, including 1,000 television staff and 650 photographers.

Mr. Vladimir Popov, vice-president of the committee, added that journalists would be allowed to report on aspects of Soviet life outside the games. They would be able to interview Soviet citizens freely, but must emphasise that the laws of the land must not be violated," Mr. Popov said.

Referring to a U.S.-pioneered

boycott of the games, Mr. Popov said: "The countries which had agreed to take part won 150 out of 198 gold medals during the last summer games in Montreal in 1976. 'There has been some sarcasm about the value of the gold medals to be awarded by the Moscow games. They have been variously described as made of chocolate, marmalade and so on. I can only say that the gold medals will be much heavier in weight and substance than that,' he said."

Mr. Popov, who has been attending a Press Commission meeting at the International Olympic Committee's Lausanne headquarters, said all the Moscow sports stars were now ready.

Disillusioned Italians face more of the same at local polls

BY PAUL BETTS IN NAPLES

"WHEN THE FATHER is a thief and the mother a whore, the son can hardly turn out to be the Holy Father." With only four days to go before 43m Italians vote in a regional and local city council elections, Sig. Antonio Esposito, a Neapolitan businessman, is somewhat cynical about Italy's unsettled political situation.

The Christian Democrat Party is the "father" who has enjoyed 35 years of uninterrupted power and is now universally blamed for the country's long mis-government. The Communist Party is the "mother," which as the country's second largest party has effectively helped the Christian Democrats to stay in power.

This "son" is the Italian electorate, whose conservative voting has been the underlying reason for the country's failure to find a lasting compromise between right and left.

The local polls next Sunday are a replay of last June's inconclusive general election which did little to break the political deadlock and, if anything, made Italy even more difficult to govern. But they will have the first test for Sig. Francesco Cossiga's recently formed centre-left coalition of Christian Democrats, Socialists and Republicans.

During the last few days, Sig. Cossiga has come under pressure from allegations he had helped the son of a fellow

from terrorist charges. The affair is unprecedented even by Italian standards and has overshadowed the last days of the regional election campaign. It has become the main issue in political rallies and broadcasts and it will clearly have an impact on Sunday's voting.

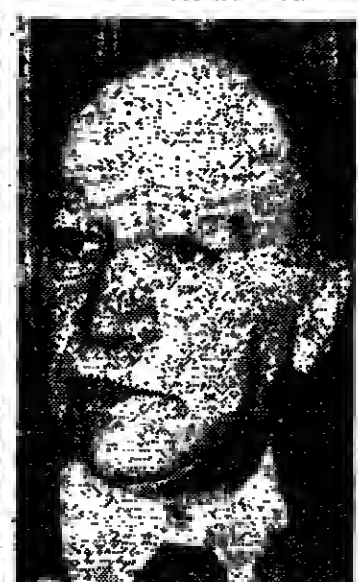
Yet this last minute twist has done little to dispel the apathy, disillusionment and general exasperation with the man political parties in Rome and the central government, which many believe disregard local views when no immediate political advantage can be gained from them. This feeling could not be more pronounced than it is in Naples.

Even the row over the sudden disclosure of the terrorist charges against Marco Donat Cattin, the son of Sig. Carlo Donat Cattin, the former Christian Democrat Deputy-Secretary General, is regarded here as an electoral stunt. The Communists, in Naples at least, are being accused of overdoing their propaganda over the Donat Cattin affair. Sig. Maurizio Valenzi, the City's independent-minded Communist Mayor, has stated he is unwilling to turn a personal tragedy into an electoral issue.

The campaign in Naples is firmly based in the City's local problems, which have reached national proportions. This southern city, the third largest in Italy after Milan and Rome, has seen decades of Christian



Sig. Maurizio Valenzi (left), the Communist mayor of Naples, faces a tough challenge from the extreme right MSI party of Sig. Giorgio Almirante (right).



Democrat government and, during the past five years, Communist management fail to contain its malaise.

Nearly 10 per cent of its 1.5m inhabitants are unemployed and eke out a hand-to-mouth existence in some of the least salubrious streets of any Italian city. Many have devised their own means of survival, from contraband, which is said to employ directly or indirectly some 40,000.

a sunny day and the laundry hanging across the narrow labyrinthine streets and exotic street markets, infectious disease, overcrowding, filth, child labour, neglect, corruption and poverty have transformed Naples into what some local people call "the Calcutta of the Mediterranean."

Emotions tend to ride high, especially at election time. Like other major Italian cities, Naples came under Communist control during the last regional elections in the summer of 1975. The astonishing gains of the Communists in those elections and the 1976 general election, when they polled just over 40 per cent of the vote in Naples, were largely the result of popular protest against the Christian Democrats' poor record in office.

At that time, the Communists flung everything into their electoral campaigns, promising immediate changes and improvements once in power. But in Naples, as often elsewhere, they were landed with what Sig. Valenzi calls "poisoned gifts" from the Christian Democrats. In short, the Communists, as the Christian Democrats calculated, were unable to fulfil the expectations they had aroused. "They promised the moon, but the city is now in a worse state than we left it," a local Christian Democrat candidate said.

The Communists were isolated in local government in Naples. While the Christian

Democrats sought to reach an accommodation with the Communists nationally, they threw everything into a fierce campaign in the regions and city councils. In Naples, the Communists held the town hall, but the real power of the state banks, the insurance companies, and the state-controlled industries like the financially troubled Alfasud car plant and the Bagnoli steel complex remained in Christian Democrat hands. As in other cities under Communist or left-wing control, deteriorating local conditions have tarnished the Communist party's image of good administration.

Last year, during the June general election, the Communists lost nearly 10 per cent in their popular vote in Naples, dropping to just over 30 per cent. Barring a miracle, they are expected to lose more votes on Sunday.

But it is equally unlikely that the Christian Democrats will pick up many new votes. Even before the recent Donat Cattin affair, the party had lost much credibility in the country. The general election trend in the last year has been an increase in support for the smaller lay parties like the Social Democrats, the Liberals and the Republicans. The unconventional small left-wing radicals have also gained a considerable number of protest votes, while the Socialists, the country's third largest party, also appear to be

winning wider support.

In Naples at least, the right-wing neo-Fascist Movimento Sociale Italiano (MSI) party has been gaining a great deal of ground. The MSI's leader, Sig. Giorgio Almirante, is generally regarded as one of Italy's best, if somewhat controversial, political showmen, and he has concentrated his regional election campaign in the Naples area. Locally, it has sought to appeal to the Neapolitan popular vote much in the same way as the Communists did in June 1975, by exploiting discontent at the party in power. Although Sig. Almirante may be a trifle optimistic when he says his party could gain more votes in Naples than any other party, it is nonetheless likely to do remarkably well.

In any case, most Neapolitans vote with their hearts rather than their minds and many still hanker back to the city's days under Spanish Bourbon rule or Sig. Achille Lauro, the shipping magnate, now in his 90s, who as a Monarchist literally ruled Naples in the 1950s.

There is already talk of large-scale abstentions and sizeable protest votes going to the smaller lay parties or the MSI. Should this be the case, it will be a further confirmation of the disaffection of the Italian electorate with the country's main political parties. And for the Communists—and Christian Democrats, this could be as worrying as a substantial electoral defeat.

Egypt's Cabinet confirms new budgetary policy

By Roger Matthews in Cairo

THE EGYPTIAN Government met yesterday to confirm the broad lines of an ambitious new budgetary policy that aims to prevent price rises for essential commodities and public sector products for the next 12 months.

Dr. Abdul Razzak Abdel Meguid, the newly-appointed economic overlord, has already announced that his budget, to be introduced on July 1, will be the first for many years to exclude price rises.

This radical departure from the policies of the past two years which aimed at allowing prices to rise gradually to combat the massive cost of subsidies and the mounting budget deficit will cost the Exchequer some \$120m during the coming 12 months, according to officials. Unofficial estimates put the cost substantially higher.

Much will depend on the determination shown by the Cabinet under Vice-President Hosni Mubarak in following President Anwar Sadat's directive that a wide range of essential goods should actually be made cheaper.

A list of some 400 commodities has been drawn up on which prices are to be cut. It will be some weeks before any assessment can be made of the impact on the inflation rate, which is unofficially calculated to have been running an annual rate of over 35 per cent during the first quarter of this year.

Concern over the political impact of rising prices is understood to have caused Mr. Sadat to order the reversal of policy. Dr. Abdel Meguid is expected to use the additional funds allocated to subsidies to import extra quantities of meat, which has been priced out of the reach of many poorer Egyptians, flour, sugar, lentils, frozen chicken and frozen fish.

The previous Government, in its last budget produced five months ago, had promised to cut the subsidies bill from \$770m in 1979 to \$515m in 1980. It was this promise, combined with a number of measures to increase Government revenues, that had brought Egypt and the International Monetary Fund reasonably close to a new three-year agreement worth up to \$300m.

This seal of good economic housekeeping, much prized by the previous Government, remained dependent on the introduction of measures that now seem unlikely to be implemented.

A new IMF mission is due in Cairo before the end of this month and its discussions with the Government and assessment of the new budget will probably prove critical in deciding on the fate of a fresh agreement to replace one that was aborted in 1978 because of Egypt's failure to stay within agreed budgetary ceilings.

Tough Israeli action on West Bank strike

By David Lennon in Tel Aviv

ISRAELI police dragged Palestinian shopkeepers out of their beds in East Jerusalem early yesterday morning as part of an operation to break a shopkeepers' strike called to protest against the assassination attempts against three mayors on the Israeli-occupied West Bank.

It was the latest in a series of tough actions aimed at crushing the recent upsurge of resistance to the Israeli occupation and preventing the occupation attempts turning resistance into a civil revolt.

Over 100 traders were rounded up just after midnight and taken to the police headquarters where they were handed written orders to open their shops at 7 am. The businessmen were told that they had been brought to the police headquarters to protect them against possible pressure by radicals to force them to close. The shopkeepers were detained for several hours before being escorted to their stores to make sure they opened.

Over half of the shops in Arab East Jerusalem were closed on Tuesday, despite Israeli attempts to force them open. But following yesterday's punitive action, all the shops opened. In other parts of the West Bank, shopkeepers were also forced to open their stores.

The Israeli security forces investigating Monday's car bomb attacks, which seriously wounded the Mayors of Nablus and Ramallah, said they still had no lead as to who might have been responsible. The police laboratory has found that the explosive used was standard Israeli army issue. But officials said this did not prove the culprits were Jews, a great deal of stolen army equipment, they said, had fallen into Arab hands in the past.

The injured Mayors have blamed Israeli extremists and the Israeli authorities for the explosions. Their belief was strengthened when an Israeli who claimed he was spokesman for the Israeli Freedom Fighters Movement "Terror against Terror" said his group had supplied the explosive for the attacks.

The man, who said his name was Shalom, claims that movement had 250-300 members whose aim is "to expel all the Arabs and show them that they have no place in the land of Israel."

Inside Israel's pre-1967 borders Arab Mayors and heads of local councils have decided to strike today in support of the Palestinians of the occupied territories and in protest against the bomb attacks. In recent years there has been growing support among the 500,000 Palestinians living in Israel for their brothers in the West Bank and the Gaza Strip.

Mr. Menachem Begin, the Prime Minister and acting Defence Minister, met other senior Ministers yesterday for what was described as regular consultations. The local media said the main purpose was to discuss the deteriorating situation on the West Bank.

Israel's High Court yesterday called on the West Bank military governor to explain within 15 days why he had banned the distribution of two East Jerusalem daily Arabic papers in the occupied territories. The papers, which support the PLO, make most of their sales and earn most of their revenue on the West Bank. The military Government said when banning them on Sunday that the distribution of the papers may harm security and public order.

Palestinians close ranks in desire for revenge

By Ihsan Hiji in Beirut

PALESTINIAN guerrilla leaders have been holding intensive consultations in Beirut on what is described as a new dimension in the conflict with Israel.

All eight guerrilla groups have issued statements describing Monday's car bomb attacks on two West Bank Mayors, Mr. Bassam Shaka of Nablus, and Mr. Karim Khalaf of Ramallah, as the beginning of a new struggle.

Al-Fatah, the Popular Front for the Liberation of Palestine, the Democratic Front for the Liberation of Palestine, the Syrian-backed Al Sakha, and the other groups have vowed to take revenge.

Palestinians are demanding that the retaliation must be of the same magnitude as the crime against the mayors. It is likely to take several forms, but will concentrate on escalating Palestinian resistance on the Israeli-occupied West Bank and in the Gaza Strip.

Palestinian reaction is as strongly directed against the U.S. as against Israel. Hostility towards Washington was underlined in a statement by Mr. Yasser Arafat, the Fatah leader who held Mr. Menachem Begin, Israeli's Prime Minister, and the U.S. responsible for the bomb attacks.

A manifesto issued by a congress of Al Fatah, which ended in Damascus at the weekend proclaimed that the U.S. was "enemy number one" of Palestinians, and called for strikes at U.S. interests in the Middle East.

The Fatah manifesto has brought the mainstream guerrilla group, once regarded as the most moderate in the guerrilla ranks, closer to the rest of the factions.

It was the product of 11 days of deliberations by the 523 members of the Fatah congress and is a reflection of Palestinian disillusionment and frustration. A key passage said that where the Palestinians were concerned, the promise of a peaceful settlement in the Middle East was an illusion.

Therefore, Fatah has reverted seeking to recover "all of Palestine" after the elimination of the "Zionist entity."

The manifesto declared that armed popular revolution was the only course for the liberation of Palestine. It did not rule out political action, but pointed out that diplomacy should be undertaken to win recognition of the PLO in Western Europe and Japan.

The shift in emphasis is clear. Heretofore, the PLO's diplomatic efforts were geared towards a solution of the Arab-Israeli conflict based on an independent Palestinian state. The hardening of Fatah's stance has been brought on by Israel's determination to hold on to the West Bank and Gaza and by the insistence of the Carter Administration in sticking to the Camp David accords despite deadlock in the negotiations on Palestinian autonomy.

Explaining this, a Palestinian informant said: "Carter added insult to injury when he threatened to block any new Middle East move by Western Europe."

The Palestinians believe that no progress can be expected at the political level before the end of the U.S. elections. Guerrilla leaders have said repeatedly that, in the interim, the Israelis are exploiting the strong position of Jewish voters in the U.S. to seize the West Bank and Gaza and to settle them with Jews.

"It is a matter of life and death for us to resort to every means to stop this," one Palestinian said.

LETTER FROM ASTARA

All looks quiet on the Soviet frontier

By Andrew Whitley on the Iran-Soviet border

SOVIET truck drivers do not walk. They stride purposefully without looking to right or left. Nor do they window-shop like other visitors to this small border town on the Western shores of the Caspian Sea. Instead, it's a quick baffle with a stallholder for a Japanese multi-blade penknife or some such item and they are back to the customs compound, hurrying in their stiff new jeans.

Astara is the main road crossing between Iran and Soviet Azerbaijan. It would be the route through which Eastern Europe would no doubt keep the embattled Islamic Republic supplied, should the West's economic sanctions be backed up by force.

Astara is also the place where the gas trunk pipeline to the Soviet Caucasus, known as IGAT-I, changes nationality. IGAT-I used to supply over a billion cubic feet a day, but has been dry for the past two months and will remain so until the Russians agree to pay the going rate for gas in Western Europe.

The last pumping station on Iranian soil stands next and trim within a stone's throw of

the stream which passes here as the Aras River, a boundary between Iran and state Socialism or between historic notions of the Middle East and of Central Asia.

From the graffiti on Astara's walls, Islam and Marxist-Leninism are waging a close battle for the loyalties of the town's 12,000 inhabitants. "Read Mardom" frequent slogans urge, referring to the newspaper of Iran's pro-Moscow Tudeh Party. "Long live the Tudeh" shouts others.

The busy Soviet trucks should be as gratified by these displays of right-thinking friendship as by the comment of an Iranian youth idling near the river. He wished he could go to the other side, "because there's work there, especially in farming."

But knowing the Soviet preference for avoiding controversy in Iran, perhaps Russian citizens in Astara are more comfortable with the graffiti which hail Ayatollah Khomeini, the notorious "hanging judge," and call for "death to the Fedayin," the independent Marxist guerrilla organisation.

For the past six weeks, the

left in Astara has been quiet, victims of a "cultural revolution" in the universities which spread into a widespread battering of anti-Khomeini heads wherever they showed.

The transit trade and a little fishing are virtually the only economic activity in Astara and, despite the present boom in cross-border traffic, unemployment is high. Exactly how many are out of work is hard to say, as there are occasional casual jobs and summer work farming up on the nearby Azerbaijan plateau. But there are plenty of bored young men hanging around with nothing to do.

These days, the customs shed on the Iranian side of the small metal bridge which forms the actual crossing point from the Soviet Union is full. Many of the containers come from Eastern Europe, a few from the West, attracted by fewer border delays than in Julfa, the rail terminal further west, and Bazarang, the road entry from Turkey.

Official information on imports is unforthcoming. You must refer to Tehran. I can tell you nothing," the customs' chief said in the near-by port of Bandar Enzeli. But

drums of cables and sacks of chemicals are clearly visible as current imports from the friendly Union of Soviet Socialist Republics.

From the fears in the Western Press that the Soviet Union is rushing to fill the gap left by the U.S.-led boycott on trade with Iran, Astara should be bursting at the seams; a scene of feverish activity. Far from it. On a typical weekday in June it looked distinctly somnolent.

There is a steady stream of trucks emerging from the compound and there are reports that vehicles are being diverted here from Julfa, but traffic along the pot-holed coastal road to Rasht and on to Tehran is light, while numerous idle traction cabs for the trailers are parked by the seaside.

For all that this border has been as quiet as the grave since the mid-1950s, when the former Shah restored good relations with Moscow, local officials are distinctly jittery. Whether journalists are unwelcome or there are political feuds being waged under the surface or simply because of the proximity of the Soviet Union, we were arrested.



"We have received secret instructions from Tehran to stop and question all foreigners," Mayor Jamshid said by way of explanation. "If you were really journalists you would be attending to more important matters like the parliament in Tehran." In the end the confiscation of our film satisfied local honour.

If it took your fancy to slip across the border, it would seem childishly simple. On the Iranian side, the gendarmes' posts spaced out at intervals are no real obstacle and local intelligence has it that the Soviet patrols across the river take a after-lunch siesta every day. The only visible barrier is a puny barbed-wire fence amidst the trees. "But you should see the second fence, and the third," said one Iranian used to foraging for wood on the other side, with a smile.

Tehran braced for anti-Shah demonstrations today

By Our Tehran Correspondent

IRAN'S universities closed down yesterday for an indefinite period on the eve of today's anniversary of the 1963 uprising against the Shah. Massive demonstrations throughout the country have been called for today by the Islamic leadership, and fears are running high that extreme Right-wingers will use the occasion to launch another purge of their ideological opponents in the universities and government ministries.

Ayatollah Khomeini, Iran's leader, yesterday urged delegates attending an inter-

national conference on the U.S.'s former role in Iran to tell the world what happened on June 5, 1963, when hundreds of demonstrators were killed by the Shah's forces. The date is treated here as the start of the Moslem clergy's struggle against the former U.S.-backed regime.

Speaking to the delegates, who include a 10-man group from the U.S. led by the former Attorney-General, Mr. Ramsey Clark, the Iranian leader called about Iran's image abroad "as a forest in which wild people are killing each other."

"The world cannot hear our voice," he said in a speech which had an uncharacteristically plaintive, almost appealing, manner. But he went on to tell the new Iran's defiance of economic sanctions, saying: "We don't need relations with countries which are going to steal our goods."

In advance of today's demonstrations President Abolhassan Bani-Sadr has issued a number of warnings of the dangers resulting from the strong-arm tactics of the Right, in particular the stick-wielders of the Tehran mob.

"Those who use sticks can see they haven't anything other than increasing the number of opposition groups," he wrote in his newspaper, Islamic Republic. This was an apparent reference to the bloody clashes on university campuses six weeks ago when the left-wingers were last attacked.

Fears of clashes today have led the Mujaheddin-Khalq, the strong radical Moslem organisation, and the pro-Moscow Tudeh Party to tell their supporters to stay away from the demonstrations and rallies.

There has been no word yet on the intentions of the Marxist Fedayin-Khalq, who may turn out because the occasion is also being treated as an anti-imperialist event of considerable importance.

Government officials have made it clear that Iran centres of higher education—the stronghold of the Left—are unlikely to reopen for the new academic year in autumn and may stay closed for up to two years while they are "purged" and "cleansed."

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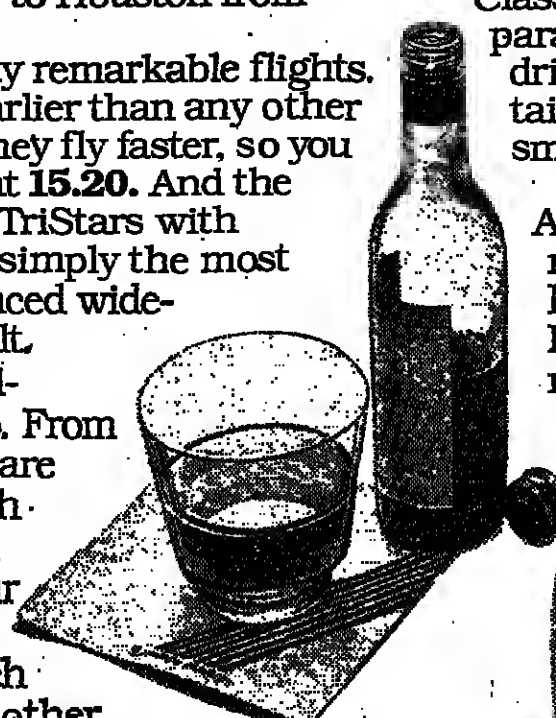
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AMERICAN NEWS

New York aims for loan guarantees of \$900m

BY IAN HARGREAVES IN NEW YORK

NEW YORK CITY, still not out of the woods from its 1975 financial crisis, is to try to secure access to a further round of Federal Government loan guarantees.

The approach, as before, is being made through the Municipal Assistance Corporation (MAC), the organisation formed during the fiscal crisis five years ago to raise money from the credit markets.

MAC's latest plan is to persuade the Government to authorise the release of \$900m of guarantees, originally intended to provide an emergency stand-by resource for the city when the Government authorised a \$1.65bn rescue programme in 1978.

MAC, undoubtedly with the support of the New York Administration of Mayor Edward Koch, seems to have calculated that now is the right political

moment to wring from a vote-seeking President Carter and Congress a commitment to release the \$900m.

MAC's plan is to use the guarantees as the cornerstone for a \$4.5bn long-term financing package to carry the city through to 1984. Bond sales would start in fiscal year 1981.

Earlier this week, in a speech, Mayor Koch noted without comment that observers were predicting he would not succeed in his objective of balancing the city budget in 1981.

He blames inflation for the pressures on the city targets. Increased spending requirements imposed on New York by federally mandated programmes, such as medical welfare and special education, have also strained New York's finances.

Other factors within the city's control, however, are probably even more stringent, notably the

present negotiations between the city and the bulk of its hourly-paid employees.

A strike deadline is looming at the end of the month as contracts expire with almost 250,000 municipal employees, including the police.

Mayor Koch has continued to talk tough about what the city can and cannot afford and to remind the unions that New Yorkers in general and New York business in particular have without much complaint a two-week strike by public transport workers earlier this year.

The Mayor, a Democrat, who supported President Carter for the Presidential nomination, is also trying to make a deal with the Republicans. On Friday, he will testify before the Republican election platform committee. He has previously said he may try to run for a second term as mayor on a Joint Republican-Democratic ticket.

Toyota Sales unwilling to handle foreign cars

By Charles Smith, Far East Editor

TOYOTA MOTOR SALES, the sales arm of the Toyota group, is not willing to make its Japanese distribution network available to a foreign car manufacturer, despite its belief that using the "proven network" of a Japanese car maker represents the best means of entry for a foreign company to the market.

Mr. Seiki Kato, chairman of Toyota Motor Sales, said yesterday there was "no room" for Toyota to handle cars produced by other companies because the range of its products was too wide.

The situation was, apparently, different five years ago, when Toyota considered, but turned down, a proposal by British Leyland for the distribution of BMC cars in Japan.

Mr. Kato said that the BMC proposal was declined because of emission control problems on the British cars. Toyota offered to help BMC solve these, but the British company eventually formed a joint venture with Nissan for marketing its cars in Japan.

Mr. Kato suggested using the sales network of a Japanese car manufacturer, among a long list of "do's and don'ts" for would-be foreign car exporters to Japan.

Apart from his advice on marketing methods, the Toyota chairman said that small cars with engine sizes of between one and two litres were the most suited to the Japanese market and that foreign manufacturers should "remember to put the steering wheel on the right side". He also advised foreign manufacturers to make adjustments for Japanese tastes in their factories rather than adapting their cars after shipment to Japan.

Mr. Kato said he did not think the small share of foreign cars in the Japanese market (3 per cent) was due to "nationalism" on the part of Japan.

Mitsubishi Motors will export 1,510 vans to China in what the Japanese car maker said was the largest order it has received from the neighbouring country, AP-DJ adds from Tokyo.

Under the ¥2bn (£3.3m) order, Mitsubishi will make the shipments between this month and next.

The company said the vehicles will be used to transport plant workers and farm produce in Guangdong Province.

Although Mitsubishi has occasionally exported cars and trucks to China, this is the first time that the company has received an order for such a large number of vehicles.

Japan appeal on truck duty

By Ian Hargreaves in New York

TOYOTA MOTORS yesterday appealed against the U.S. Government's proposal to close a duty loophole, which would have the effect of increasing from 4 to 25 per cent the duty Japanese merchants pay on imports of light trucks to the U.S.

Mr. Seizo Kato, Toyota's head of sales, said that a figure of 6 to 8 per cent would be more reasonable.

Mixed response to 'Buy British' plea

BY JAMES McDONALD

THE APPEAL to the community to buy British products by Sir Michael Edwards, chairman of B.L., has had a mixed response from business leaders, judging from the results of an inquiry by The Director, among the chairmen and managing directors of a number of leading companies.

In its latest issue, published today, the magazine — the journal of the Institute of Directors — says that, out of 49 businessmen questioned, 32 supported Sir Michael's appeal, 12 were against it and five were unsure.

The measure of support by several directors, however, was qualified. "All British directors should insist that their companies buy British. At the same time, the car makers too should buy British. They also must understand that their products must be the best in both quality

and service," wrote Mr. P. Gregory King (Mackenzie King Holdings).

This last sentence introduced a theme that ran through all the answers, whether in favour or not of Sir Michael's appeal. "I believe that we should give the British car industry a chance to build up, once again, a reputation for being able to deliver the goods," Mr. F. J. Moorfoot (Kodak). "It is our company's policy to buy British cars," said Mr. E. T. Gartside (Shiloh Spinners), "but British car manufacturers need to improve their standards from the point of view of design, service and reliability, if they are to retain their captive share of the company car market."

Mr. J. M. Raiman (Shell UK) said "British companies should as far as possible buy British. Mine does exclusively." But, he added, "Individuals should

retain their freedom to make their own choice."

Among the antagonists, Mr. A. A. S. Rae (Ciba-Geigy in the UK) said: "To urge all sectors of the community to buy British cars is of limited benefit and has the effect of restricting freedom of choice, an essential element in any market economy. Encouraging a policy of 'Buy British' at home may reduce the demand in the UK for vehicles made abroad, but it will also encourage overseas manufacturers to adopt a protectionist policy in their own home markets, thereby affecting UK exports."

The same panel, asked whether the home market generally should be protected by import controls, came down mainly against the idea, but by no large majority: 25 for rejection, 20 in favour, and four abstaining.

General feeling seemed to be

that controls were only justifiable in extreme circumstances, although many directors expressed anger at the unfair practices used by some of Britain's overseas trading partners. There was a reluctance to court retaliation and alienate custom by an over-reliance on trade barriers.

Asked where was the biggest overseas threat to British industry in the 1980s, Germany and Japan were cited, but so also were the "new Japan" of the Far East: Korea, Taiwan, China, Singapore and Hong Kong.

Mr. John Bickley (Davy Corporation) took the question in a wider context. "The greatest threat to British industry is posed by North Sea oil. The 'petroleum' is not a true value of our exchange rate. We need a petro-dollar for imports and a petrified pound for exports."

Citibank loses Master Card fees battle

By David Lascelles in New York

CITIBANK, New York's largest bank, has lost a two-year legal battle over its handling of credit card charges, and has been ordered by the New York State Supreme Court to refund customers more than \$1m.

The exact sum involved has yet to be determined. But Citibank acknowledged that it could be \$1.5m plus interest and legal costs.

The case, which touched on many of the problems of retail banking in the U.S., arose out of Citibank's decision in 1976 to charge a 50 cent fee to customers who paid their Master Card accounts on time. Master is comparable to Access or Eurocard in Europe, in that it allows for instalment repayment of outstanding balances.

Citibank introduced the charge because it said prompt payers were being subsidised by cardholders who chose to delay payments and incur interest charges. It also claimed that the regulations permitted the charge.

A number of cardholders sued Citibank over the fee, and finally won on Tuesday, when the Supreme Court upheld a lower court's ruling that fees may only be charged on outstanding indebtedness after the initial repayment period has expired.

Chrysler delays plan to close large car plant

By Our New York Staff

HOPES THAT a market for large cars will re-emerge once the current U.S. recession is over have decided Chrysler Corporation to keep open its Lynch Road assembly plant in Detroit for at least a few months longer than planned.

The deal has been heavily influenced by local politics, but the decision also allows Chrysler to keep open longer its options on sales of its larger cars, production of which it intends to phase out completely by 1984.

In a separate development, General Motors has set back for one year the date from which it will fit air-bag safety systems on some of its cars.

The decision could mean that the air bag, a system whereby emergency braking inflates a large cushion to protect front seat passengers from the windshield and steering column, may never enter commercial production.

California voters reject new cut in state taxes

BY OUR U.S. EDITOR

THE CALIFORNIAN juggernaut known as the "taxpayer revolt" seems in need of a new engine and driver following the resounding defeat on Tuesday of a proposal to cut state income taxes in half.

Proposition Nine was voted down by a 62 to 38 per cent margin. It was the idea of Mr. Howard Jarvis, the crusty, septuagenarian who wants to cut government down to size, and who was the co-author two years ago of the successful and celebrated Proposition 13, which cut property taxes deeply.

In typical irascible form after the results, Mr. Jarvis blamed public employees' associations for engineering the defeat, and promised to announce another initiative next week, which may seek to reduce state civil service pensions or the local sales tax.

Governor Jerry Brown, a late convert to Proposition 13, but an opponent of Proposition Nine, suggested that Mr. Jarvis's own abrasive style had contributed to his downfall. He argued that California voters had also realised that there were limits to the extent that government's capabilities should be impaired, especially in tight economic circumstances. The measure would have cost the Californian government \$4.9bn in revenues, more than 20 per cent of its annual budget.

In two other significant votes, the state rejected by 56 to 44

per cent a proposal to levy a 10 per cent surtax on oil company profits in order to help finance mass transport and research into alternative energy sources. The oil industry contributed nearly \$6m to defeat the initiative.

Voters overwhelmingly rejected by nearly two to one a proposition, equally heavily financed by landlords, designed to make rent control very hard to enact.

In the coastal town of Santa Cruz, the Lockheed Aircraft Corporation was able to breathe more easily following the defeat of a local initiative which would have prevented it from building parts for the Trident nuclear missile.

Development of the one potentially-rich offshore basin, Campos, off the Rio de Janeiro coast, has been fraught with serious technical troubles.

Meanwhile, there is confusion between the Ministry of Mines and Energy, responsible for overall handling of oil, and the Planning Ministry, responsible for economic decisions, on the question of oil imports.

The Government is resolved gradually to cut oil imports by 40 per cent, to compel industry to use alternative fuels and private motorists to limit use of cars.

Mr. Antonio Delam Netto, Planning Minister, however, categorically denies this, stating that it would be "folly, driving the country into recession."

Brazil accepts Russians' oil search offer

BY DIANA SMITH IN BRASILIA

THE BRAZILIAN Government has accepted the Soviet Union's offer to provide help in searching for oil in Brazilian territory.

The Brazilian Foreign Ministry says that the offer, only disclosed this week, was made last October by Mr. Aleksandr Manjulo, Soviet Vice-Minister for Trade. The Soviet Union is known to have proposed sending a team of geologists here to survey oil potential.

Hampered by continually-rising OPEC prices, Brazil has intensified its quest for domestic oil in the last five years. The results have not been too encouraging. Onshore and offshore wells now produce 200,000 barrels a day, while consumption needs are more than 1m b/d.

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Reagan gains ground as Democrats fight to the death

Jurek Martin, U.S. Editor, reports from San Francisco on the fortunes of the candidates as the primary season ends



President Carter, with his wife Rosalynn, acknowledges the cheers of his supporters, as he gains enough votes for the Democratic nomination. But he will still be dogged all the way to the Convention by Senator Edward Kennedy.

THE STORY is not new. A well-known senator, miles behind in the delegate race, stages a tough late race against the front-runner for the Democratic Party's Presidential nomination.

He accuses his opponent of being unfaithful to the Party's traditions. He makes up ground in the final primaries, but is still on the short end, and decides to challenge the rules of the game so as to change the mathematics of the party convention. He fails, but splits the party and contributes to the ultimate defeat of the nominee in the general election.

Four years later, he contemplates running for the Presidency again, and discovers that his pitch has been irrevocably quashed by this performance.

What President Carter's advisors now want is that Senator Edward Kennedy should contemplate the memory of Mr. Hubert Humphrey. Comparisons between 1972 and 1980 can be overdrawn—the Senator won California and New Jersey, which Mr. Humphrey did not, while the eventual Democratic nominee, Mr. George McGovern, was always a more likely loser against President Nixon in 1972 than Mr. Carter is today against Mr. Ronald Reagan. But the message is the same: united

the majority Democratic Party can win, divided it is certain to fail.

This morning, with the primary season proper at last over, Senator Kennedy has reason to believe his own rhetorical arguments that Mr. Carter, whom he has called "a clone (genetic copy) of Reagan," cannot provide that union.

He has beaten the President more often than he has lost in precisely those big states which will determine the outcome in November: he has, at long last, started to put together the classic Democratic coalition of the working class, the poor, the young, Jews, minorities and the better educated; and he has done so by pounding away at the President's economic policy record and by criticising his refusal to leave the White House and campaign.

But, seductive though this may sound, reality also must point out that, over three dozen primaries, Mr. Kennedy lost far more often than he won, even against an opponent who—truthful though the Rose Garden strategy may briefly have been—was hurt by seclusion in the White House. Mr. Kennedy never dispelled public doubts about his own character, nor has he demonstrated that a liberal Democrat could win the Presi-

dency in 1980 any more than a conservative Republican could in 1964, the year of the Goldwater debacle.

The Senator knows, too, that no matter what enticement or legal challenge he comes up with, the chances of winking away from the President between 300 and 400 committed delegates are vanishingly slim. It might even seem demeaning for a man who, only last winter, seemed on the verge of recapturing his imperial heritage, to be reduced to such horse-trading to retain the legitimacy of his claim to the throne.

After lively interest in the initial primaries, voter turnout has declined alarmingly as the outcome became more obvious and as the whole protracted primary process lost the attention of the nation.

Mr. Reagan naturally must view this with some equanimity. Republicans appear to be nipping behind him, even if only, in the case of the moderates, because they want to ameliorate his staunch conservatism. In the last four Presidential elections, the split party has lost. Moreover, Democratic disagreements help legitimise the independent candidacy of Mr. John Anderson, who perhaps illusory, is currently showing more strength than ever Mr. George Wallace

did at this stage of the game in 1968, especially on the east and west coasts.

Mr. Reagan thus has six weeks free and clear before the party convention in July to appear as an oasis of stability and certainty, plotting the autumn campaign and choosing a running mate, while the Democratic drama is played out.

Meanwhile, the Carter Administration is caught in the trap of having to spew out depressing economic statistics in the months ahead, giving Mr. Reagan a free platform for criticism and making all the more difficult a bridging of the differences between Mr. Carter and Mr. Kennedy.

Yet the primaries have also demonstrated that Mr. Reagan is not a flawless, seamless opponent. In the last analysis the best Democratic chance of beating him lies in persuading the American public, particularly the Democrats, independents, and moderates from both parties, who still comprise the majority, that the Reagan alternative is simply too dangerous to contemplate. In important primary states like Texas, Pennsylvania, and above all, Michigan, Mr. George Bush, never a strong candidate, demonstrated that there were enough reservations about Mr.

Reagan to give the Democrats plenty of hope.

Certainly, in his moment of victory on Tuesday night in Los Angeles, Mr. Reagan gave few hints of moving towards the central ground of the national, as opposed to party, political stage.

He said, for example, that he detected a national consensus behind what he called "family, neighbourhood, work, peace and freedom"—all code words, in many eyes, for doctrinaire Right-wing policies.

Asked if he could take Senator Howard Baker from Tennessee, the favourite choice of Republican moderates, as his running mate, he recalled that the Senator had supported the Panama Canal Treaties and that it would be important to ascertain if he had changed his mind.

Mr. Reagan has shown during the primaries an intermittently alarming ignorance of current events and a propensity for misstatement, all without doubt, duly noted down in the notebook of Democratic strategists to use later in the year.

What is also apparent from the primary season is the extent to which the 1980 presidential election is at the mercy of the foreign front, with no likelihood of an early resolution on the hostage crisis in Tehran. Mr. Carter has shown some adept-

ness, as any President should, in turning exigencies to his domestic advantage, though the American public may also be getting a little weary of the number of exigencies Mr. Carter seems to confront.

If the Presidential election were held today, Mr. Reagan would undoubtedly be favoured to win, though not by much and with the real possibility that a strong showing by Mr. Anderson could throw the outcome into the House of Representatives. But, as is invariably the case, there is a world of difference between primaries and the November election. The great unknown this year remains the capacity of the Democratic Party to swallow its deep differences.

This ought to be possible, given the elasticity of which the party platform drawn up at the convention in August is capable. But pride and ambition militate in another direction. Which is why Senator Kennedy, whose chances of winning the nomination remain remote, but whose longer term presidential credentials may have been enhanced by the determination he has shown in the face of adversity over the last six months, cannot but sooner or later dwell on what happened to Mr. Hubert Humphrey in 1972—and again in 1976.

U.S. textile deficit at \$839.6m

WASHINGTON—U.S. imports of textiles and clothing exceeded exports by \$839.6m (\$364.4m) in the first quarter this year, the Commerce Department reported yesterday.

The deficit was larger than the \$693.4m deficit of the final quarter of 1979, but was down slightly from the \$841.5m in red ink in the first three months of 1979, the report showed.

The total textile and apparel trade deficit last year was \$3.4bn.

Imports of \$1.89bn in the first quarter this year were 6.7 per cent higher than the \$1.77bn in the final quarter of 1979, the data showed.

Exports, meanwhile, fell 2.5 per cent from the \$1.07bn in the final quarter of 1979 to \$1.05bn in the first quarter this year.

Still, first-quarter exports were 24 per cent ahead of the pace in the first quarter of 1979, while imports were up 12 per cent.

"The major foreign markets for U.S. textile mill products are the European Economic Community, Canada and Australia," the report said. Overseas markets for apparel were more fragmented, it said, with the largest purchasers being the Common Market, Japan and Canada.

AP

UK imports from Israel exceed sales

By Maurice Samuelson

IMPORTS from Israel have for the first time exceeded British sales, the upswing in the normal balance of trade between the two countries. According to the Israel Embassy in London, Israeli imports in Britain in the first quarter of this year rose 18 per cent to \$27.7m, while British exports to the Jewish State were worth \$25m, the same level as in the corresponding period last year.

Usually, the trade balance is heavily in Britain's favour, although the gap has been narrowing in recent years. In the financial year 1979-80, British exports to Israel were worth \$27.0m, with trade in the opposite direction running at \$237.6m.

Israel is now the third largest market for British goods in the Middle East after Saudi Arabia and Dubai. According to Israeli officials, British investment in Israeli hotels is also growing.

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The Pathfinders

Investing in Energy for Britain.

UK NEWS

Genetics venture interests Americans

By David Fishlock, Science Editor

A MAJOR U.S. laboratory may join British scientists in a venture soon to be launched by the National Enterprise Board, to exploit the commercial possibilities of genetic engineering.

Discussions between the NEB and the Medical Research Council have envisaged a broad venture rather than one aimed at exploiting a single technique or product.

Three major research centres, each associated with Nobel Prize-winning scientists, are involved: the MRC's Laboratory of Molecular Biology in Cambridge; the laboratories of the Imperial Cancer Research Fund, a charitable trust, in London; and Cold Spring Harbor Laboratory near New York.

The biotechnology company—to be based in Cambridge—will include scientists and professional managers in a pattern already proven as the basis for research-based companies in the U.S.

It will have its own laboratories and production facilities for the manufacture of small quantities of drugs such as monoclonal antibodies, required to diagnose and possibly to treat diseases.

The two British laboratories have made different kinds of these drugs, but are being emboldened by the demand from other medical researchers.

Neither laboratory is free under its charter in name and sell its products for profit.

According to the government, the venture is a joint venture, not a partnership, and a project should be started by the end of the year.

Store chemicals separately, says fire report

By Lisa Wood

CHEMICAL STORES should segregate chemicals, says a report published yesterday by the Health and Safety Executive.

The report dealt with the fire and explosions in January at a chemical depot operated by Womersley Boome Chemicals.

The executive urges discussions with the chemical industry on the advice manufacturers should give about segregating the fire.

The fire, which resulted in damage estimated at £200,000, was probably caused by an electric radiator setting drying clothing alight. The report says three subsequent explosions were probably caused by a liquefied petroleum gas cylinder rupturing in the heat and the thermal decomposition of sodium chlorate.

Atlas of 1655 sells for £48,000 at Christie's

AT CHRISTIE'S yesterday a first complete edition of Blau's Atlas Major in 11 volumes, containing 394 hand-coloured maps and plates and published in Amsterdam in 1653 sold for £48,000.

The same anonymous buyer gave £15,000 for five volumes of John Gould's The Birds of Europe, with 448 hand-coloured plates.

SALEROOM

By Antony Thorncroft

Lieux les plus intéressants de la Suisse, par Keller and Fuseli, about 1825, went for £13,500. The auction totalled £273,870.

In the glass sale Hubner, the German dealer, acquired a north Bohemian tumbler signed by Hieronymus Henkel for £8,500 and a Jacobite glass of about 1745 for £8,000.

At Harmer's a used stamp of

Bernard Coral quits company's board before licences case

By Andrew Fisher

MR. BERNARD CORAL, former head of Coral Leisure Group's casino division, has resigned from the company's main board. Court hearings on its gaming licences are pending.

Both the police and the Gaming Board object to renewal of the licences, following police raids in November on Coral's four London clubs.

Altogether 29 employees and ex-employees have been charged with offences. They include Mr. Coral, who later resigned from his executive positions in the group.

Mr. Coral, the brother of Mr. Nicholas Coral, the company chairman, has been charged under the Theft and Gaming Acts and with conspiring to pervert the course of justice. He has denied these charges.

"I felt it would be absolutely in the company's interests to resign from the parent

Law Lords today decide on Granada's BSC 'leak'

By Raymond Hughes, Law Courts Correspondent

GRANADA TELEVISION will ask the House of Lords today for leave to appeal against the ruling that it must name the British Steel Corporation employee who leaked confidential documents of the Corporation. BSC will oppose the application.

If Granada is successful, its appeal will be expedited and heard some time next month. Normally, several months elapse between leave being granted and an appeal being heard.

Four judges have so far ruled that Granada must name the source of the documents, which formed the basis of a "World in Action" television programme about British Steel in

February 4. The original ruling by Sir Robert Megarry, the Vice-Chancellor, that Granada had no legal right to protect its informant was upheld by Lord Denning and two other Appeal Court judges last month.

In judgments that were widely criticised in the Press, the Appeal Court said that Granada had behaved irresponsibly and so forfeited the normal right of the media for protection of its sources.

The Appeal Court ordered Granada to name its informant but suspended the order pending a decision by the House of Lords.

Discrimination complaint to EEC by steel users

By Alan Pike

BRITISH STEEL consumers have renewed pressure on the EEC Commission to end what they regard as discrimination over steel price measures.

The British Iron and Steel Consumers' Council is awaiting a response from Viscount Davidson, the Industry Commissioner, to an appeal for action to overcome problems arising from the appreciation of sterling against the European Currency Unit.

Mandatory minimum prices for hot-rolled coil are, says the council, at least 9 per cent higher than in other Community countries, stemming from the fact that sterling was at an unusually low point when the

steel price measures were reviewed in November.

Sir Richard Marsh, chairman of the council, has told Viscount Davidson that the problem is greatly weakening the competitive position and ability to provide employment of British steel consuming industries. It would like to see immediate adjustments to reflect the current parity of sterling.

British steel consumers argue that the problem is giving EEC competitors advantageous access to the growing steel markets of countries like South Africa, South Korea and Brazil, where bilateral agreements do not exist.

Sotheby's completed yesterday the disposal of the autograph collection of Ray Rawlins, accepted as the best in existence.

The three days brought in £153,184. The highest price yesterday was £2,500 for an album of 31 signed photographs of Hollywood stars of 1928, including Chaplin, Coleman and Garbo.

A signed late portrait of Elvis Presley went for £300. A photograph of the Beatles north Bohemian tumbler signed by Hieronymus Henkel for £8,500 and a Jacobite glass of about 1745 for £8,000.

At Harmer's a used stamp of

Highlands project wins aid pledge

By James McDonald

The Government will do "all it can" to find an alternative wood-using project for the Lochaber area, the Highlands, following the Wiggins Teape decision to close its Corncorp pulp mill.

Mr. George Younger, Secretary of State for Scotland, said in London yesterday that the Government was prepared to make money available.

The amount "was not a bar to any project proceeding," he assured a delegation from the Highland Regional Council, Lochaber District Council, the workforce and unions in the area, as well as the Highlands and Islands Development Board.

But there had not been any concrete proposal for a project. He could not undertake to subsidise any operating losses of the company at Corncorp when no project was in sight.

After the meeting Mr. Younger said he shared the very deep concern about the closure at Corncorp and what it will mean to the area.

Earlier in the year it had looked as if Consolidated Bathurst of Canada would launch a project and the Government had available a substantial package of assistance as an incentive.

It was extremely disappointing when they decided that even with this assistance they did not believe the project would be commercially sound.

"Since then we have been following up other wood-using contacts, not only in the UK but also abroad.

"I am also arranging further contacts with Wiggins Teape to clarify a number of points which came out of this morning's meeting."

My priority is to get another wood-using project into the area."

The delegation told him that the pulp mill closure would mean the direct loss of 450 jobs. The area would also suffer from the loss of 150 jobs at British Aluminium at Fort William, bringing the total to 30 per cent of manufacturing sector employment.

Sir John Methven

THE LATE Sir John Methven, director-general of the Confederation of British Industry, was described yesterday as "a man of quality, a man of greatness" during a service of thanksgiving for his life and work in Westminster Abbey.

Delivering the address at a service attended by 1,500 people, including senior members of the Government and ambassadors, Sir John Greenborough, CBI deputy president, said Sir John was "in the prime of his life and in the full flow of his dedication and commitment to the well being of the country" when he died.

"He possessed an infectious enthusiasm, and much of industry rallied to his call. He was a giant in his own world—an inspiration as a leader."

The Prime Minister and Mrs. Shirley Williams, the former Labour Minister, read the two lessons.

Mrs. Thatcher had worked closely with Sir John since the last General Election, and Mrs. Williams appointed him in 1973 as his last public post as Director-General of the Office of Fair Trading.

One of the last jobs on which Sir John worked before his death on April 23 was the move of the CBI headquarters to Centre Point.

The move takes place at the end of this month. Sir John Greenborough suggested in his address that the council chamber be named "the Methven Room."

Swale Press closes three newspapers

SWALE PRESS, the century-old Wides publishing and printing firm, yesterday closed its weekly newspapers in Liverpool, Widnes and Runcorn.

More than 40 journalists and other staff employed by News of Merseyside received redundancy notices with effect from noon yesterday.

It follows the strike over pay and conditions by members of the National Graphical Association—settled nationally but not at Widnes. The continuing dispute led to the closure of the company's printing division. Management announced a cut in printing staff from 73 to 12 to continue publication. The printers refused to co-operate—holding out for full reinstatement.

Meanwhile, efforts are being made to save the shipping paper, the Journal of Commerce, printed at Widnes.

FRESH INSIGHT into the epic—and unsuccessful—takeover bid by ICI for Courtaulds is included in a history of Courtaulds published today.

It shows that for many years before the bid was announced in December, 1961, tensions had been developing between the two groups, mainly over the development of their jointly-owned interest, British Nylon Spinners (BNS).

As early as 1952, a Courtaulds director had written that "the dual function of ICI as sole supplier and chief competitor of BNS had become to result in future difficulties arising between ICI and Courtaulds."

During the 1950s British Nylon Spinners went from strength to strength. Its profits became of ever-increasing importance to Courtaulds, at a time when the rayon business—on which the group's strength had been built before the Second World War—had started to fall away.

Although Courtaulds had achieved one major success with the development of its acrylic fibre, Courtelle, it appears that

by the early 1960s a number of Courtaulds directors were in a despairing mood about the future of Rayon and the group's poor overall profits performance.

At around the same time, ICI's directors had become convinced that synthetics had a very exciting future. The group had earlier missed the opportunity of producing their own acrylic fibre, and had experienced some difficulties with the launch of its "Terylene" product.

With Courtaulds' board demoralised the idea began to grow on ICI of acquiring Courtelle and the other half of Courtaulds.

In January, 1960, S. P. (later Sir Paul) Chambers became chairman of ICI.

At a social function in July, he suggested to Sir John Hanbury-Williams, then chairman of Courtaulds, since 1946, that they should meet to talk about "matters of mutual interest."

Hanbury-Williams was then approaching retirement, and the book states that in the final years

Ruling widens banks' disclosure liability

By Raymond Hughes, Law Courts Correspondent

THE LIABILITY of banks to disclose confidential information about customers and their accounts in cases of suspected fraud was extended by a decision of the Court of Appeal yesterday.

The court ordered the Hatton Garden branch of Discount Bank (Overseas), a Swiss bank, to disclose to Bankers Trust Company, of New York, correspondence, cheques, debit vouchers, transfer documents and internal memoranda relating to the accounts of two men suspected of having forged cheques for \$1m.

Lord Denning said an order of that breadth was justified to enable Bankers Trust to trace the money. The power to make such an order was an important part of the court's armoury.

Lord Denning said that on September 20 last year a Mr. Walter Shapiro and a Mr. Max Frei presented two cheques, each for \$500,000, to the Middle East section of Bankers Trust in New York. The cheques purported to have been drawn by the National Commercial Bank of Saudi Arabia and were payable to Mr. Shapiro.

Bankers Trust honoured the cheques end, on the two men's

instructions, credited \$708,203 to their accounts with DBO in London.

The cheques were also honoured by the Saudi bank which, six months later, informed Bankers Trust that they were forgeries. Bankers Trust felt it was not free from blame and recredited the Saudi bank with the money.

Bankers Trust then started legal proceedings against Mr. Shapiro, Mr. Frei and DBO. The proceedings had been served on DBO but not on Mr. Shapiro, who was in jail in Switzerland as a result of a police investigation into suspected frauds, not on Mr. Frei, who was believed to be in Liechtenstein.

Bankers Trust obtained a "Mareva" injunction to stop DBO disposing of money from the accounts, but failed in an application to Mr. Justice Mustill in the Commercial Court for an order that DBO disclose information about the accounts. The judge had refused to grant such an order because Mr. Shapiro and Mr. Frei had not been served with notice of the legal action against them.

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Singer to close Scottish plant

SINGER, the U.S. sewing machine manufacturer, has failed to find an industrial buyer for its Clydebank plant. It is to close at the end of this month with the loss of 3,000 jobs.

The Scottish Development Agency said yesterday it will buy the 99-acre site for £850,000.

Mr. Hugh Jack, the agency's industry director, said the price was fair in view of the work needed to transform the plant into an industrial estate.

The agency was already negotiating with G. H. Barclay and Associates, an engineering company, which wanted to rent part of the works and intended to employ 200 people by 1982.

Pension fund returns flag

THE INVESTMENT performance of most small and medium private pension funds in the UK is failing to match rises in earnings, according to a survey by Cubie, Wood, the actuarial consultancy service, company within the Hill Samuel Group.

The survey analysed the 1979 performance of 360 self-administered pension funds. Only four showed a return higher than the 19.8 per cent advance in earnings and only 12 beat or equalled the 17.8 per cent rise in prices.

Redifon transfer

REDIFON Telecommunications, a subsidiary of Rediffusion, is transferring its deep sea telecommunications business to an American marketing company, Electro-Nav International. It will have a licence to manufacture Redifon equipment in return for a royalty.

Lorry tax plea

THE FREIGHT Transport Association says downgrading—setting lower maximum operating weights than vehicles can carry—must be allowed if proposed tax changes are to achieve their objective of relating taxes to road costs.

Jobs hit

FORDHAM PLASTICS is cutting the workforce at its Wokingham satellite plant by 615 because of the building industry slump. Jentique, the Norfolk furniture maker, is putting 350 workers on a three day week for the same reason.

Emergency link

AN EXPERIMENTAL emergency microwave telephone will be established between Alderney and the Isle of Wight to prevent a repetition of the four-day breakdown of communications in December when three submarine cables were broken.

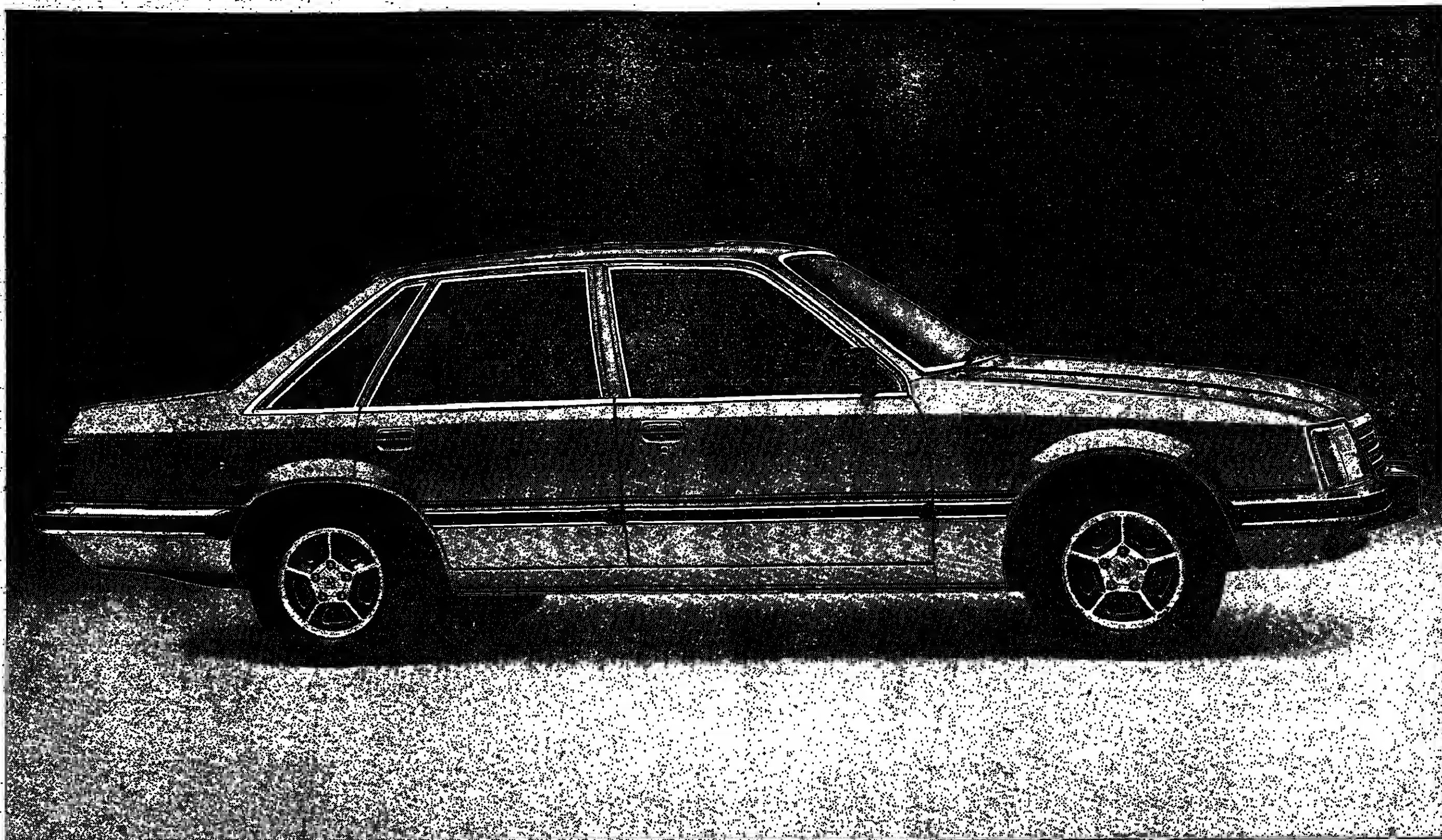
Refugees accepted

NEARLY 2,000 refugees from South-East Asia were accepted for settlement in Britain in the first quarter of 1980, bringing the number of acceptances to about 19,000, 3,200 more than in the same period of 1979.

Prison plea

BRITONS sentenced abroad will be able to serve their sentences in UK prisons under a plan being considered by the Government. Foreigners sentenced in Britain will be similarly repatriated.

Cheaper holidays



Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé. Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline

the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been

mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost).

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

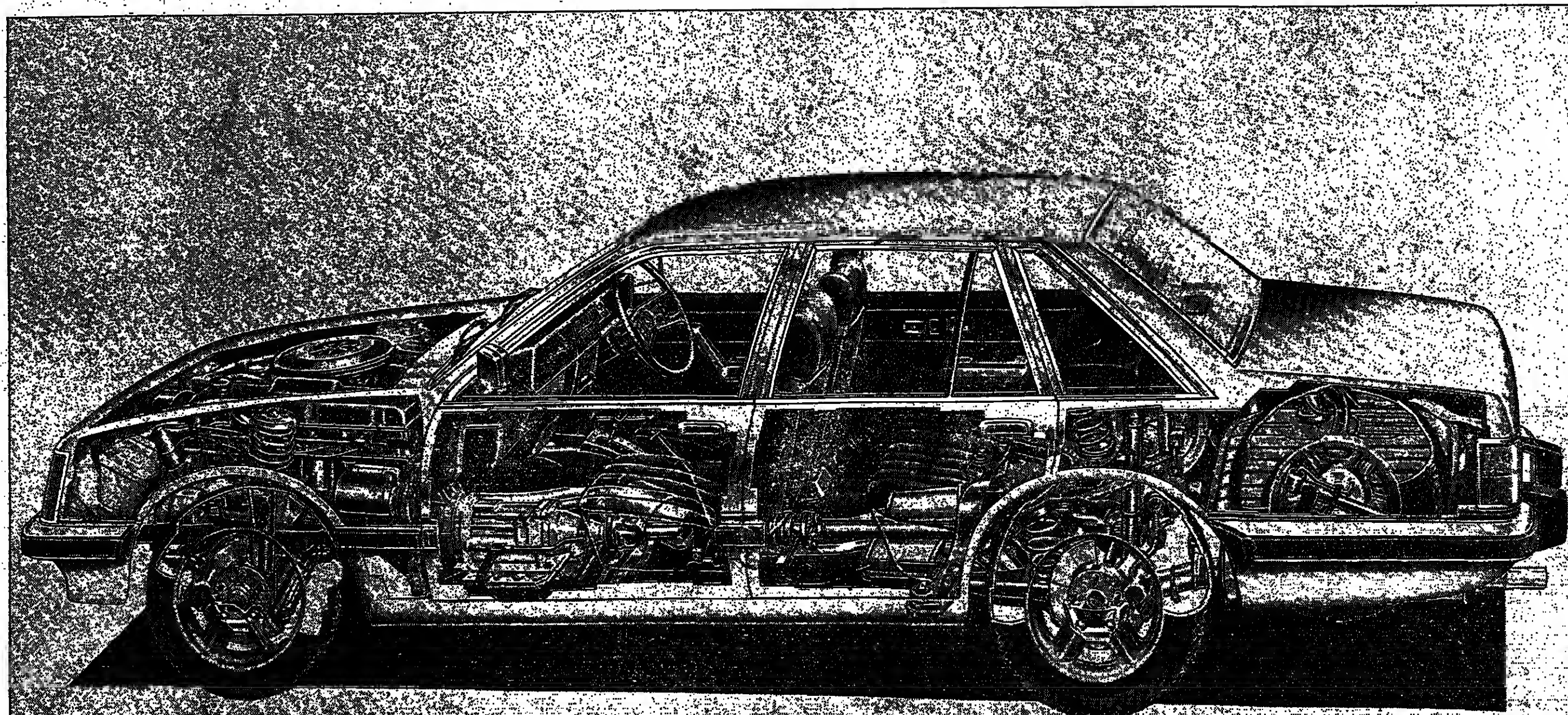
As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

Luxury is built in, not bolted on.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £825. SALOON £10,100, COUPÉ £10,647. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.



VAUXHALL 
ROYALE

UK NEWS

Attacks on Civil Service 'unfair'

By Robin Pauley

UNFAIR ATTACKS on the Civil Service are so frequent that they are affecting morale, especially in middle and junior grades, Sir Ian Bancroft, head of the home Civil Service, said yesterday.

"We do not mind fair criticism but we do feel under attack when our loyalty and public spirit is ignorantly doubted and when it is said that we pay lip service to the need for greater efficiency but secretly and selfishly resist it."

He was speaking at the conference of the Chartered Institute of Public Finance and Accountancy in Brighton.

Many accusations of waste and extravagance looked back to the era before the mid-1970s, when the Civil Service had to administer rising expenditure and an expanding range of services, he said.

Now, there was greater emphasis on reducing inessential activity and achieving maximum value for money. The new goal was to devise better ways of satisfying the public demand for Government services with declining resources.

The budgetary control job of civil servants was having a significant effect.

"The critical scrutiny of estimates and cash limits achieved, for example, a saving of about 5,000 jobs in 1980-81 estimates by Government departments compared with the public expenditure plans."

The number of civil servants was being reduced sharply. The highest number was 749,000 in April 1976, and the Government plans to have only 630,000 by the next general election, the lowest number since the end of the war.

Littlewoods stores cutting prices of many goods

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

LITTLEWOODS stores group yesterday announced a £10m package of price cuts in a new High Street prices challenge.

The Littlewoods move reflects growing concern among retailers that the level of consumer spending in the shops—which has remained more buoyant than expected in the first few months of the year—has at last begun to fall.

Mr. Philip Carter, Littlewoods' managing director, said yesterday: "It is no secret that the present level of sales on the High Street is causing concern to both retailers and manufacturers and we feel that the time has come for us to take positive action."

The Littlewoods price cuts will concentrate on clothing and foods and will be partly financed by the company's suppliers. This is similar to the £11m package of price cuts announced last September by Marks and Spencer, also partly aided by its major suppliers.

At that time, Littlewoods and the other major High Street multiple stores did not respond directly to the M and S move, since it was felt that their prices were already more competitive than those of M and S. Although pre-Christmas spending was below normal, sales in the early part of 1980 have held up well.

This was mainly due to the high level of wage settlements which have kept earnings ahead of price rises. This has proved of particular benefit to consumers who do not have large mortgages or bank loans and who have found, therefore, that their disposable income has not been reduced by high interest rates.

It has also meant that stores with a more down-market customer profile—such as Littlewoods—have benefited more from the buoyant level of consumer spending than outlets such as department stores which traditionally attract middle class customers.

So Littlewood's move suggests that shop sales are beginning to be badly affected by the squeeze on living standards.

This tendency is confirmed by the latest retail review from stockbrokers Phillips and Drew, published yesterday, which says there have been growing signs in recent weeks of a fall in retail sales volume.

Phillips and Drew expects this decline to continue "with real demand falling by about a percentage point in both 1980 and 1981."

The brokers also point out that with increased pressure on retailers' costs, "net margins are likely to fall sharply, restricting the growth in pre-tax profits to around 5 per cent."

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RHYS DAVID ON THE PROBLEMS OF THE MAN-MADE FIBRE SECTOR

Output lowest since 1975

BRITAIN'S man-made fibre industry yesterday added its voice to manufacturers' growing expressions of alarm at the effects of high sterling and interest rates.

Mr. John Stuart, chairman of the British Man-Made Fibres Federation and deputy chairman of ICI Fibres, said first quarter output by UK fibre producers was down 8.8 per cent to the lowest level for any equivalent quarter since 1975.

Sterling's value bore no relation to industry's underlying strengths. The rate of appreciation in the past six months was much higher than the much stronger German manufacturing sector had been required to overcome in a comparable period.

"British industry has to,

and can, change from over-manning, low productivity and high wage inflation, but present exchange rates require a brutal rapidity of adjustment which even the most efficient firms are finding difficult to achieve."

His remarks follow grim forecasts from the engineering sector. Mr. Stuart said for much of industry the limit beyond which negative cash flow could no longer be sustained was near.

"It is vital that the Government takes action to lower interest rates and reduce the value of sterling before that limit is reached and the prospect of de-industrialisation becomes a fact."

The drop in first-quarter fibre output would have been substantially greater but for

a 17 per cent rise in overseas sales. There was a 25 per cent fall in deliveries to the domestic market, under heavy pressure for the past year from U.S. exports.

First-quarter exports had overtaken domestic deliveries, but it would be wrong to suppose this trend could continue and that the need for restraints on American exports to Europe could be obviated.

"In the past year plant closures, attributable wholly or in part to the effects of such imports, have affected 7 per cent of those employed in man-made fibre manufacture, and 40 per cent of those in the polyester sector."

"A continuation of present trends will lead inexorably to further closures and to the abandonment of plans for investment."

Mr. Stuart criticised the European Commission's reluctance to act against U.S. imports.

The European fibre industry has said these are effectively subsidised because of U.S. Government controls on domestic oil and natural gas prices. The range of products covered is inadequate and the quota levels provide for a consolidation of the position already achieved by U.S. exporters and for further growth.

The commission had proved ready to respond where dumping could be proved. Action had been taken to counter U.S. acrylic dumping and it was hoped a similar case alleging dumping of polyester filament would also be acted on.

Five year textile plan favoured

BY GARETH GRIFFITHS

BRITISH CLOTHING retailers yesterday told the Government they were broadly in favour of maintaining for five years the present conditions of the Multi-Fibre Arrangement (MFA), the agreement regulating world trade in textiles due to be renegotiated next year.

At a meeting with Mr. Cecil Parkinson, Industry Minister, the Retail Consortium stressed that the present MFA had kept imports in the negotiated limits. It had added two per cent to the cost price of British clothing in the past two years.

Mr. Richard Weir, the consortium's director, said the next agreement should last only five years and be viewed as a temporary measure. This contrasts with the British Textiles Confederation's call for a 10-year arrangement.

The consortium said the clothing imports causing most prob-

lems are T-shirts, underwear, knitwear, trousers, jeans, blouses and woven shirts. About 80 per cent of clothes sold were made in Britain, although retailers bought on the grounds of value rather than country of origin.

Mr. Philip Carter, managing director of Littlewoods, who led the consortium delegation, said UK clothing manufacturers should be more flexible. Suppliers in the Far East had been prepared to switch products almost overnight to meet with the new conditions imposed by the last MFA.

He cited children's clothing as an area where prices had gone up considerably since the last MFA, and where manufacturers had ignored retail advice about the market waiting to be tapped. The consortium has set up a monitoring survey to

find out where import substitution would be feasible.

The retail trade is alarmed at the possibility that a delay in renegotiating the next agreement would cause confusion. The last transition in 1978 meant losses of several hundred thousand pounds for many chain stores because of confusion about which textiles would be allowed in.

The source of clothing imports in 1979 shifted slightly from the newly industrialised countries of Hong Kong, Taiwan and South Korea to the developed countries and to some extent the less developed countries—but they have been unable to sell to the quotas assigned to them.

Retailers in the UK are concerned about quality control of clothing manufacture in the less developed countries. They also

want guarantees of reasonably long production runs.

● A long-term programme for textile trade liberalisation, phasing out protection and giving the industry in the UK and other advanced countries time to adjust, is suggested today in a study by Dr. Geoffrey Shepherd, deputy director of the Sussex University European Research Centre.

He proposes an eight-year limit on the next MFA and an agreement that it would not be renewed.

In return for the removal of quotas the main exporters would be expected to offer concessions by liberalising their own import regimes. The suggestion is put forward as an alternative to the more likely scenario for the 1990s—a growth in protectionist sentiment at least as long as the recession lasts.

Plea to revive run-down areas

A BID for a share of Britain's rate from the EEC has been delivered to the Government by West Yorkshire, writes Rhys David. The county wants some of the funds diverted into its Scheme for Textile Area Regeneration (STAR) which aims to revive run-down parts of the region.

The scheme was conceived by the county council 18 months ago, initially as a vehicle for attracting money from the various EEC regional and industrial restructuring funds. It includes a number of small and medium projects—road improvements, site clearance and the like—which undertaken on a co-ordinated basis could, it is said, substantially improve the appearance of older areas and thus help in the attraction of new industry.

STAR in this form has been slower than expected in getting off the ground, and only relatively limited funds have been secured. Its latest problem has been the Government's decision to revise regional aid from 1982, effectively removing most of West Yorkshire from Assisted Area status.

Under present rules, money

received by the UK from the European Regional Development Fund—one of the main sources of money STAR has been hoping to tap—can only be spent in recognised development areas.

The county has not yet given up the argument over regional development finance but in a letter to Mrs. Thatcher it now says STAR should qualify as one of the projects to receive finance from the new programme of Community expenditure in Britain which is to form part of the UK Budget rebate.

About £400m of the £17m rebate in 1980 will be made available in this way, mainly to projects in transport and communications, public utilities, the coal industry and depressed urban areas.

The Treasury and the EEC have jointly been examining a list of projects for implementation once the Budget issue was settled.

The case for help made out by the county in a new STAR submission to the EEC Commission and Sir Geoffrey Howe, Chancellor of the Exchequer, is based on the serious loss of jobs

in the area. The labour force in wool textiles has fallen from 145,000 20 years ago to 60,000 at present. Clothing employment has fallen 26,000 to 16,000 in the same period. Losses in the two industries have been accelerating in the past year.

Mr. Martin Bradshaw, the county's Executive Director of Planning, points to low rates of investment, low household earnings, high levels of outward commuting and migration, inadequate infrastructure and industrial obsolescence as other problems besetting the older textile areas.

The STAR submission also urges the Government to continue to press for help for workers affected by closures in wool textiles and clothing through the EEC Social Fund, and to try to widen the availability of aid for the fibres sector under the European Industrial Development Fund to include natural fibres.

Last year the £10m available in this fund was taken entirely by the Italians who came forward with schemes for restructuring their synthetic fibre sector.

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BANCA NAZIONALE DELL'AGRICOLTURA

Meeting held on April 28th, 1980

Registered Office and Head Office: ROME (ITALY)

The Annual General Meeting of the shareholders of Banca Nazionale dell'Agricoltura has approved the Balance Sheet for the financial year 1979 showing a net profit of 18.5 billion lire, allowing a distribution of a dividend of 175 lire as from 2nd May, 1980.

At the end of 1979 the operating funds of the Bank were 9,283 billion lire which marks an increase of 24.4% over the previous year.

The accounts totalling a number of 817,000 proves the selective diversification of the sources of deposits, which as regards the total operating funds amounts to 68.1% from family deposits to 26.1% from various companies and 5.8% from the public sector.

Loans for 3,525 billion lire are up by 15.9% and were assigned for 94% to private companies, for 4% to families and 2% for the public sector.

The meeting also resolved upon the increase of share capital of the Bank from 36 billion to 48 billion lire through the issuance of new 500 lire shares, ranking for a dividend, as of 1st January, 1980: for every six shares held at the date of the meeting shareholders are assigned one free-issue share and the option to subscribe one rights issue share.

KEY BALANCE SHEET FIGURES

OPERATING FUNDS	CAPITAL AND RESERVES
L.9,283 billion	L.222 billion
LENDINGS	PROFIT FINANCIAL YEAR
L.3,525 billion	L.18.5 billion

SECTOR
75

Chemical workers settle

By Nick Garnett, Labour Staff

MANUAL WORKERS covered by the chemical industry's main national wage negotiations have voted to accept an annual pay and conditions offer.

The deal, affecting 60,000 workers represented mainly by the Transport and General Workers' Union and the General and Municipal Workers' Union, includes the setting up of a working party to formulate proposals for reducing working hours next year.

The deal, negotiated with the Chemical Industries Association, provides for a basic minimum national rate of £86 a week. This is increased by company rates in the industry's two-tier bargaining structure.

Last year the CIA and the unions failed to secure a national agreement and rates were fixed by local negotiations. Officials said yesterday that employers had agreed to maintain the principle that percentage increases on national rates will be directly reflected in percentage increases on average earnings.

It is still unclear whether a pay offer worth at least 21 per cent which has been strongly recommended by union officials representing manual workers at ICI will be accepted.

There has so far been a mixed voting response by groups among the 50,000 workers covered by the offer. The ICI proposals involve a 16 per cent increase on top of a special 3 per cent interim rise awarded in January together with a one hour reduction in the 40-hour week from June next year.

Mr. John Miller, a national secretary of the Transport and General Workers' Union, said Distillers had this week offered its manual workforce a deal worth 21.3 per cent on the wages bill.

Mr. Miller said the offer, which is being recommended for acceptance, would give a minimum basic rate of 167p an hour.

Teachers to get full award

BY PHILIP BASSETT, LABOUR STAFF

TEACHERS' EMPLOYERS yesterday agreed to pay in full the recent 17.25 per cent Clegg Commission award to 470,000 teachers in England and Wales, including the disputed £130m, amounting to 4 per cent, awarded in error.

The local authority employers, however, have scaled down this year's pay offer to the teachers to take account of the error. Though the unions rejected the reduced offer, cut from 13 to 9.2 per cent, the employers will press for its application when the claim goes to arbitration.

Two months ago, the Government's standing commission on pay comparability, chaired by Professor Hugh Clegg, awarded the teachers rises of 17.25 per cent, averaging 18.2 per cent at a cost of about £840m as the final part of their 1979 pay settlement. But the commission was forced to admit that it had made an error in drawing up the report, and that the correct range of increases was 13.21 per cent, at a cost of about £510m.

The error has added further fuel to the debate among Ministers over the future of the commission when Professor Clegg retires in the autumn.

At a meeting of the Burnham pay negotiating committee yesterday, Mr. John Wordie, the independent chairman, ruled that the award including the error should stand. Teachers will probably receive the award in their next pay packet.

There are some indications though, that hard-line local authorities might want to take legal advice on the validity of the award.

The commission's error is subject to an inquiry by the Government.

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One bank union backed

By Nick Garnett, Labour Staff

MEMBERS of the staff associations at the Barclays, Lloyds and National Westminster banks have voted overwhelmingly to support proposals for the formation of a joint staff union.

Officials of the staff associations have been in discussions with the certification officer on the creation of what has been provisionally called the Clearing Bank Union.

They hope to complete these discussions, and the negotiations on the new union's structure, by July or August.

Slightly more than 55,000 of the staff associations' joint membership of 95,000 voted. More than 49,000 agreed to the setting up of the CBU. The new union will still leave considerable power over local matters to the individual staff associations.

As a negotiating platform for the staff associations in principle common negotiations with the banks, in place of the virtually-defunct Confederation of Bank Staff Associations.

The associations also see it as a base from which to improve recruitment in opposition to the rival TUC-affiliated Banking, Insurance and Finance Union which has between 65,000 and 70,000 members in the five main English clearing banks.

he said crippled Britain's economy.

Mr. Murphy, who earns £11,000 a year, said the rise he had accepted, which could amount to 42 per cent over two years, was not justified by increased productivity.

Mr. Murphy, a Nalco shop steward, who has attended nearly all his branch meetings in recent years, said: "Last night's meeting was like a kangaroo court—it was farcical. There was no semblance of legal process about it. Today I am preparing my appeal to the national executive of the union."

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Health Service pay battle looms

BY PAULINE CLARK, LABOUR STAFF

NEARLY 70 per cent of National Health Service employees appeared yesterday to be lining up for battle against the Government's 14 per cent limit on wage rises.

Representatives of 110,000 hospital administrators and clerical staff yesterday "totally rejected" a cash limits pay offer which would break their traditional salary links with the Civil Service.

The decision increases the likelihood of a similar pay problem affecting hospital scientific and laboratory staff over the next few weeks. Any attempt by the Government to impose a 14 per cent settlement on the 30,000 strong group could also break their long-standing pay links with Civil Service scientific officers.

With 490,000 nurses and midwives and 37,000 paramedical staff having already formally thrown out 14 per cent pay offers, the scientific group could bring the total opposition to the Government's policy to 667,000.

Only the hospital manual workers have settled within the limit in this year's pay round but this was before the recent upswing in the inflation rate forecast.

Since then an inflation award of 18.7 per cent to doctors and dentists in spite of cash limits has fuelled unions' anger over health service pay.

The National and Local Government Officers' Association and the National Union of Public Employees yesterday expressed total opposition to any offer to administrative and clerical staff which fell below an average 18.75 per cent.

Management was said yesterday to have agreed to reconsider its position before the next negotiations.

Mr. David Williams, assistant general secretary in the Confederation of Health Service Employees and chairman of the staff side of the nurses' Whitley Council, yesterday accused the Government of issuing "misleading" figures on nurses pay.

When the Government said nurses had received a 65 per cent pay increase since April 1978 it had wrongly assumed that all nurses got 25 per cent from a Clegg comparability award, he said. Only one grade, representing 16 per cent of the profession, received this amount and the rest were given much lower increases.

The Government had also erred in adding the cost of a reduction in the working week from 40 hours to 37½ hours as a concealed pay rise, he said. Had this not been granted, Clegg would have had to increase his award by some 6.7 per cent.

Pit closure campaign Nalco man to appeal

BY ROBIN REEVES, WELSH CORRESPONDENT

SOUTH WALES miners' representatives agreed unanimously yesterday to launch a campaign against pit closures—backed if necessary by industrial action.

At a three-hour meeting in Bridgend, delegates from all 35 Welsh collieries, representing 26,000 miners, also endorsed their executive's decision on Monday to boycott the National Coal Board's pit review machinery until the plan to close Tynafall Lewis-Merthyr colliery in the Rhondda Valley is withdrawn.

The pit is only the first of a number threatened with closure as a result of the major cut in the Welsh steel industry and rising coal imports.

Mr. Emyr Williams, the South Wales miners' president, said the Coal Board has clearly indicated that up to 21 Welsh pits were under threat. He forecast the board would seek to close six swiftly, another six within 10 months and the remainder within 18 months.

Acutely aware of the February debate, when the Welsh miners declared their leadership's call to strike in support of the steelworkers, and their own jobs, Mr. Williams stressed that careful steps were being taken to mobilise the membership for the anti-closures fight.

"We will make sure on this occasion we have got an army behind us," he said.

Mass meetings are to be held throughout the coalfield to endorse the leadership's stand and present a strong front at the National Union of Mineworkers' annual conference in Eastbourne in July. There, they would seek the support of the rest of the British coalfields, he said.

Mr. Joe Gormley, the miners' president, is to see Sir Derek Ezra, the NCB chairman, next Monday to discuss the threatened closures.

Nalco man to appeal

FINANCIAL TIMES REPORTER

MR. BRENDON MURPHY, a public relations officer with Stockport council, Greater Manchester, is to appeal against a decision by the local branch of the National and Local Government Officers' Association to expel him for speaking out against inflationary pay rises.

Mr. Murphy, aged 38, was expelled on Tuesday night by a 16-to-two vote of his branch executive.

This followed an interview in a national newspaper last April in which Mr. Murphy condemned pay rises which

he said crippled Britain's economy.

Mr. Murphy, who earns £11,000 a year, said the rise he had accepted, which could amount to 42 per cent over two years, was not justified by increased productivity.

Mr. Murphy, a Nalco shop steward, who has attended nearly all his branch meetings in recent years, said: "Last night's meeting was like a kangaroo court—it was farcical. There was no semblance of legal process about it. Today I am preparing my appeal to the national executive of the union."

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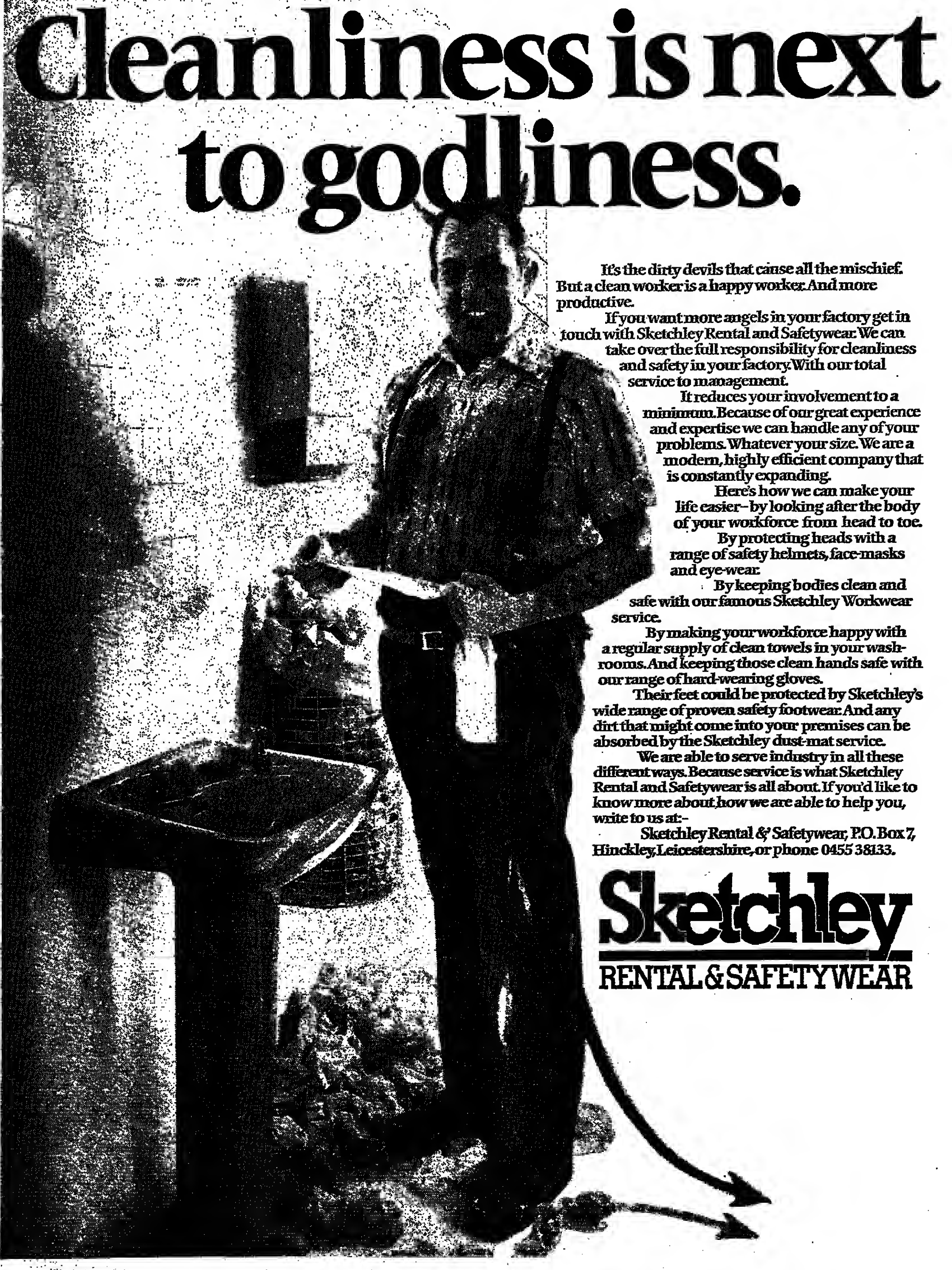
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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem. played	Vacs.
1978							
4th qtr.	110.3	103.0	104	101.7	132.3	1,340	230
1979							
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.5	107.1	107	106.2	144.8	1,299	256
3rd qtr.	112.2	105.0	99	99.5	144.6	1,269	247
4th qtr.	112.7	103.7	105	101.7	151.9	1,286	230
Nov.	114.1	105.3	112	102.5	153.2	1,282	234
Dec.	112.1	103.5	104	101.7	153.1	1,294	219
1980							
Jan.	111.4	101.8	87	103.1	155.5	1,339	207
Feb.	110.2	100.5	97	104.1	158.7	1,414	181
March	108.9	98.1	97	103.0	159.9	1,414	181
April				103.0		1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	goods	goods	goods	output	mfgs.	etc.	starts*
1978							
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.2	20.3
1979							
1st qtr.	105.9	99.2	127.1	98.8	98.4	100.0	12.9
2nd qtr.	108.6	103.0	133.0	102.7	110.1	102.9	21.3
3rd qtr.	105.6	96.2	132.2	94.9	103.8	100.2	21.0
4th qtr.	104.2	101.2	125.6	98.1	101.8	94.9	18.9
Nov.	103.9	98.0	125.9	96.0	102.9	96.0	20.5
Dec.	104.0	103.0	132.9	101.0	103.0	97.0	19.2
1980							
Jan.	106.0	101.0	126.0	100.0	65.0	94.0	13.2
Feb.	106.0	102.0	129.0	100.0	69.0	92.0	11.4
MARCH	103.0	97.0	124.0	95.0	57.0	89.0	12.3

UK NEWS - PARLIAMENT and POLITICS

Callaghan tackles Labour Left

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR. JAMES CALLAGHAN, the Labour Party leader, yesterday continued his sharp attack on the Prime Minister, took on his opponents in the party and was teasingly ambiguous about his future intentions on his position as leader.

The speech, to the biconial national delegate conference of the Union of Construction, Allied Trades and Technicians in Bournemouth, was the first speech in what is seen as a strategy of more overt confrontation with the Left in the party on policy issues. It is an attempt to rally the party round a common programme which would have the backing of the unions.

Mr. Callaghan made a raid on French classic literature, describing Mrs. Thatcher as a "Madame Pangloss" who "would have us believe that everything is for the best in the best of all possible worlds."

He said that a new Labour Government would face difficulties as great as those it faced in 1945 and would need as radical a recovery programme.

He added, however, that the programme of that Labour Government was seen as relevant by millions of voters.

Present policies must be equally relevant and "not just spring from the ideas that some people have and want to force on the British people—you don't win elections like that."

Returning to the theme of the Labour leader said he would continue to fulfil that role "in whatever walk of life I may be." Earlier, he had joked that delegates, having read his "obituary" in the Press, would expect a ghost.

"I can assure you I am very much alive and kicking," he said he would continue to oppose "the worst policies I have ever seen from a Conservative Government."



James Callaghan: permanent damage

returned again and again in his speech to the view that Government policies were doing "permanent damage" to the economy.

He said: "I think it is about time that some of the captains of industry stopped giving slavish adherence to this Government and said publicly what they are saying privately."

In turning to the Labour Party's proposals for rebuilding the economy once returned to office, Mr. Callaghan drew a number of sharp, if implicit, distinctions between his own policies and those of the party's Left wing, led by Mr. Anthony Wedgwood Benn.

In an apparent further reference to an agreed policy on wages between the unions and the Labour Party, Mr. Callaghan said: "We will not solve these problems by sloganising. We must have an understanding and agreement before we return to power as to how we carry matters forward."

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MPs fear restraint plea over wage rise

By Elinor Goodman

CONCERN IS mounting among backbenchers that MPs may once again be asked to set an example by exercising a degree of wage restraint.

MPs would seem to be guaranteed a 3 per cent increase of £1,275 next week, taking their salaries up to £10,725.

But there is growing apprehension among some MPs that they may not get all the top-up money which they had been led to expect as part of the staged deal agreed last year.

Any move to modify the arrangement agreed last year would provoke a furious row in Parliament which could result in a Government defeat.

But ministers are apparently beginning to get nervous about the implications for public sector pay of MPs getting a settlement which bears all the marks of "comparability," and which would appear to give MPs just the kind of protection against inflation which the Treasury has been telling other workers they cannot expect as a right this year.

The first £1,275 is due on June 13, but MPs may not make a decision in principle on whether to protect MPs' pay from the effects of inflation until they have received the recommendations of Lord Boyle's review board.

This is not expected for several weeks.

MPs pay is traditionally an extremely sensitive subject. Opinions on it are sharply divided on both sides of the House.

Promised

The majority of MPs would most bitterly resent it if the Government tried to cut back the increase which they believe they have been promised. But a significant minority of Tories feel that MPs should be asked to give an inflation-proofed settlement at this time.

The Government is faced with this dilemma over pay this year because of its refusal last year to implement in full the recommendation from Lord Boyle that MPs should receive an immediate increase of £5,000.

After a major row in Parliament, the Government agreed to give MPs a staged increase of £2,500 last June, together with another two instalments of £1,275 in the following two years.

It is promised that MPs' salaries would not be allowed to fall behind the rise in general earnings again as a result of the staging.

Lord Boyle is due to report to the Government within the next few weeks on what additional increase would be necessary to be honoured.

A similar calculation on doctors' pay by Lord Boyle produced a recommendation of 18 per cent. It could be very embarrassing for the Government if the review body recommended that MPs should be given anything like this on top of the £1,275 they are due to get next week.

MPs seem confident they will get the £1,275 because it would require a vote in the House to go back on this commitment. The majority would also make claim that the Government is morally bound to honour its promise to ensure that their salaries do not fall behind in the league table again.

But there is no resolution blinding the Government to do this, so it must technically be possible to at least delay the later stage, or perhaps modify it.

One suggestion made at the Conservative 1923 Committee was that only the £1,275—rather than the total salary of £10,725—should be indexed to the rise in earnings.

The Government will be pressed to give a commitment to honour the indexing when the £1,275 comes due next week. But they may try to postpone an announcement on the grounds that they cannot give any commitment until they have received Lord Boyle's report.

Public spending control plan

Financial Times Reporter

MORE DETAILED specific figures about areas of public spending should be made directly available to MPs by the Government Departments involved, says a report by the Commons Committee of Public Accounts.

It suggested that the Treasury give more detailed information about year-to-year changes in public spending by providing both price and volume comparisons.

The Treasury has, however, said that this would be too complex. Instead, it has undertaken to improve the scope of previous year figures in supply estimates, and to supply additional information on request to meet MPs' specific interests.

The 13th Report from the Committee of Public Accounts, HMSO £2.75.

Heath warns of isolating Soviets

By Elinor Goodman, Lobby Staff

MR. EDWARD HEATH warned yesterday that the Soviet Union could be provoked into aggression in the Gulf if the West tried to starve her of the oil technology she needs to develop new supplies of her own oil.

Speaking to the Select Committee on Foreign Affairs, the former Prime Minister also repeated his criticism of the British Government's policy on sanctions against Iran. He censured President Carter for his warning to Europe to keep out of attempts to settle the Middle East problem.

In general, he said, it was time America paid more attention to discussing its foreign policy plans with its allies.

"There has been too little consultation for too long," he said.

He added that he did not think there was a single European leader who was pursuing the policy of sanctions because he believed it was either right or effective—only because the American President wanted it.

"Surely, as an alliance, we have an obligation to work out with the senior partner whether a policy is going to serve any useful purpose. And we have sufficient experience of sanctions to show us what the problems are and make a judgment."

Dealing with the question of Soviet aggression, Mr. Heath said there were dangers in the West trying to isolate Russia.

Proposal on pension payments

FINANCIAL TIMES REPORTER

THE DEPARTMENT of Health and Social Security could save up to £50m a year through a proposal to make old age pensions, child benefits and other state benefits payable through bank accounts, MPs believe.

A report from the Commons social services committee stresses that the change should be optional and that cashing benefits weekly at post offices should continue for those who wish it.

The proposals, which are in line with Government policy on expenditure cuts, have already aroused opposition from Post Office workers, especially from sub-post office owners, who stand to suffer.

The committee, chaired by Mrs. Renee Short (Wolverhampton NE) recommends "as a matter of urgency" that the Post Office should take steps to increase the amount of business available to it.

In its evidence, the Department of Health and Social Security had said that there had been some demand for many years for direct crediting of benefits to bank accounts. Such payments, at four-weekly intervals, would cost the DESS about £2 a year compared with the £7-£10 a year it costs now to pay weekly by computer-produced order book.

The new arrangement would include both National Girobank and the Trustee Savings Banks. The DESS believes that a scheme could start in 18 months to two years.

Councils urged to cut staff

BY IVOR OWEN

COUNCILS WERE urged to cut back on their current expenditure by slashing town hall staffs by Mr. Michael Heseltine, the Environment Secretary, in the Commons yesterday.

With fewer public sector houses being built, a falling school population, a decline in the number of roads being designed, and structure plans largely completed there was obvious scope for staff reductions, he maintained.

Mr. Heseltine told Mr. Tim Renton (C, Mid-Sussex) that on the basis of the latest available statistics, he was "not at all satisfied" with the response so far made by local authorities to his call for staff cuts.

The Minister agreed with Mr. John Major (C, Huntingdonshire) that too many local authorities were protecting their staff levels at the expense of cutting services. This amounted to a dereliction of their duty to ratepayers.

Mr. Roy Hattersley, Labour's Shadow Environment Minister, seized on Mr. Heseltine's admission that fewer council houses were being built to repeat his demand that the Government should publish an estimate of the likely total fall in public sector building this year compared with last year.

Mr. Heseltine, who emphasised that the number of public sector houses built had fallen in each of the last four years, refused to give an estimate.

He said he had learned from the experience of the Labour Government that it was difficult to get accurate figures from such forecasts.

Mr. Gwyn Roberts (L, Cannock) defended the local authorities.

He declared: "These cuts in staffing levels generally mean cuts in social services, education provision, housing improvement and house building, and only added to the dole queue."

But Mr. Heseltine retorted that with the fall-off in the amount of work required in the town halls, it was "bumbug" to talk about inability to reduce the levels of local government manpower.

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Edward Heath: too little consultation

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GLC in row over dockland plan

BY ANDREW TAYLOR

A ROW IS brewing following the decision to drop a £400m joint development proposed by Taylor Woodrow and George Wimpey from the short list of schemes being considered for the redevelopment of the key 120-acre Southwark site in London's Surrey Docks.

Mr. Peter Drew, chairman and managing director of St. Katharine-by-the-Tower, a Taylor Woodrow subsidiary, said last night that the company would seek to recover the costs of drawing up its proposal from the Greater London Council and Southwark Borough Council, joint owners of the site.

The company, although disappointed at not being included on the short list, is upset at the council's handling of the competition to decide which scheme will be chosen for the Southwark site.

Names on the short list approved this week by senior GLC and Southwark councillors include two Dutch developers and one French construction group.

The Taylor Woodrow/George Wimpey proposal had originally been included on a short list of five schemes prepared earlier this year by the councils' officers and members of the Docklands Development Organisation. This short list was scrapped at the last minute and the councils decided to put

all 15 schemes entered in the competition on public exhibition.

Mr. Drew said last night that by opting to put the schemes on public exhibition the councils had significantly altered the arrangements under which proposals had been submitted. He estimated that it had cost between £70,000 and £80,000 to prepare Taylor Woodrow's submission.

Four of the five schemes originally approved by the councils' officers are included on the revised short list—the only omission is the Taylor Woodrow scheme.

A final choice from the four schemes is due to be made in late autumn this year.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMPONENTS Solid state heater regulates itself

ELEMENTS WITH intrinsic temperature control based on a semi-conductor ceramic are used in heaters newly developed by Salford Electrical Instruments, Barton Lane, Manchester M20 0HL (061 799 5081).

The material, doped barium titanate, has an electrical resistance which increases sharply above a critical temperature known as the switching temperature. The elements can have an overall round or rectangular shape and are fabricated in a honeycomb structure of hexagonal holes to allow air flow over as large a surface area as possible.

On first applying mains voltage the initial resistance is low, a relatively large current flows and warm up is swift. But when the switching temperature is reached equilibrium occurs with the heat output from the element balancing the input power. Passing air through the element results in a new, lower, equilibrium temperature which in turn causes the resistance to drop and the electrical input to increase.

The overall temperature of the block becomes virtually constant at around the switching temperature and the heat produced can be controlled by varying the air flow.

The company claims a number of advantages for the new heaters. For example, if the air flow stops for any reason the switching temperature, there being no unsafe overheating. In addition, there are no "dead spots" within the block and no radio frequency interference can be produced because there are no contacts opening and closing as in thermostatically controlled equipment.

Known as PTC Honeycomb heaters, the units are compact and robust, have no moving parts or fine wires to cause reliability problems and are easily mounted in any position.

A wide range of sizes is available and the switching temperature can be adjusted to meet customers' requirements by changing the element material.

No stains on the ceiling

ARCHITECTS, ENGINEERS and maintenance men have for some years been concerned with the problem of ingress of dirt around sprinkler heads on false ceilings where the latter's void forms the air conditioning plenum. This particularly applies in air conditioned shopping malls, supermarkets and shops.

Not only does leakage of conditioned air reduce the overall efficiency of the air conditioning plant, the resultant dirt staining is unsightly—even in clinical conditions.

These problems, however, can be overcome by using a nickel plated miniature sprinkler head which, when used with an aluminium self sealing rosette, provides an air-tight seal around the rosette and the sprinkler head, says Hall and Kay Engineering, Birch Street, Ashton-under-Lyne, Lancs. (061 330 6621).

Installation is very much simplified in second fixings, says the company, by the use of a telescopic self-sealing adjustable drop having a three to five inch vertical adjustment.

Pumps for small presses

BY COMBINING pumps from its gear pump and radial pump range, it is now possible to offer small flows at high pressure with higher flows at medium pressure, making a unit eminently suitable for use on small presses and similar applications, says Rexroth, Cromwell Road, St. Neots, Huntingdon, Cambs (0480 76041).

The R4 radial pump is high pressure up to 700 bar. This can be combined with either gear pump type G2 (up to 250 bar), or with gear type G3 (up to 130 bar). The pump flanged at the rear is always a gear pump.

Pumps type R4 are self-priming, valve controlled radial piston pumps, and pumps type G2 and G3 are self-priming gear pumps with external gearing.

DATA PROCESSING Will meet most needs

THE AIM of the latest word processing equipment from Supertyping, one of the oldest established companies in this area, is to "fill the complete word processing and systems requirements that now exist in the UK". To date, much of the company activity has been in specialist markets, the equipment fulfilling particular applications and functions.

There are several models in the new FD86 range, starting with a single floppy disc system and finishing at the top of the range with a hard disc unit of 10 megabytes capacity which ultimately will be capable of expansion to a total of 96 megabytes.

The idea is to provide a configuration to suit each customer's special needs and available budget. A two screen shared resource system with one printer would cost under £100 a week on lease.

By the end of this year the number of work stations that can be linked to the hard disc will be increased to 15, says the company.

One new development for the company is the use of fibre optics to connect screens to central memory, allowing connection distances of up to 300 metres without boosters.

More from 33 Lower Coombe Street, Croydon, Surrey (01-659 3477).

Aids the car dealer

OFFERED BY NCR is a computer system designed to deal with the day-to-day administration of car dealers and vehicle service centres, put on the market after close collaboration with the manufacturers and the dealers' associations.

Hardware employed is the NCR 8000 series of machines and the system is called Carfacts. Software covers everything from invoicing and stock control to the ordering of new cars and sales promotion plans.

Three main modules cover invoicing, spare parts inventory and accounting. The invoicing module will maintain car and customer records, including credit limits if required and can produce invoices on computer terminals at garage reception counters. Stock records are updated automatically as parts are issued from the stores. Users can inquire about stock levels through the terminals and purchase orders are produced automatically as required.

Carfacts handles all financial and VAT accounting and the printing of reminders to customers with overdue invoices. Total system prices start at £20,000.

NCR is at 206 Marylebone Road, London NW1 6LY (01-723 7070).

INSTRUMENTS Ensures purity of gas

ALTHOUGH VITAL for the preservation of life, oxygen in the wrong place can be a problem or even a killer. The dangers of as little as nine parts per million of oxygen in hydrogen or the hydrocarbons are well-known.

Where industry requires pure nitrogen or inert gases—say in metal treatment, air separation, semi-conductor manufacturing, cryogenic or polymerisation processes—gas purity must be assured.

Well proven product in the field of gas analysis is said to be the high sensitivity Trace O₂ Monitor made by Research Inc. of America, brought to this country by Astro Technology, 61 High Street, Fareham, Hants (0329 231377).

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

This contains complete analysing equipment in a two-part portable steel case measuring 15 x 15 x 6 ins and can be installed at any appropriate point in a process carrier gas stream.

A patented stable RI/Herschel fuel cell, with a yield of about 93 per cent, converts virtually all the oxygen in a small sample of the gas to a 10 microampere signal for each ppm of oxygen. Oxygen content is displayed on the panel meter which is either analog or digital, and various ranges are available—between 0.1 ppm to 0.2000 ppm—depending on application.

Also included is a humidifier, to prevent loss of moisture from the electrolyte, and a four-way valve to isolate the cell when not in use. Cell has an indefinite life, although periodic recharging is necessary. After charging, it will detect 100,000 ppm—i.e. 10,000 hours continuous operation—with a gas stream containing 10 ppm of oxygen.

This machine will print on thick film circuits, liquid crystal displays and related micro-electronic components up to 102 x 102 mm at a registration better than plus or minus 25 microns. It is supplied by DEK Printing Machines, Granby Industrial Estate, Weymouth, Dorset DT4 6TH. It is stated that in its simplest form the machine is suitable for design and laboratory development of different sizes and types of thick film circuits. Loaded and unloaded by hand it will print about 500 substrates per hour. By adding a handling system to control the loading, register, printing and unloading of a vertical stack of substrates and by adding a collator that collects the printed substrate and locates them in rows on a dryer or furnace belt, the throughput can be increased to over 1200 per hour. The machine has speed controls for print cycle and substrate feeds with interlocks to ensure that they both synchronise.

QUALITY CONTROL Big hardness testing unit

DOWTY ROTOL of Cheltenham has experienced difficulty in measuring hardness on the loog undercarriage elements used in modern day aircraft because the instrument used for this purpose reached a maximum of 40 inches.

The company has now taken delivery of what is said to be the largest capacity Brinell Hardness Tester ever made by the Swedish Alpha company which is capable of measuring components from a few inches up to five feet in height.

Mounted on its own cast base unit and resembling a pillar-drill in concept, the Duresta vertical threaded column carries a cantilever frame into which the Brinell measuring head is fitted. Adjustment of a large disc-shaped nut running on the column—against which the cantilever frame is biased by a counterweight system—allows vertical movement and fine positioning of the measuring head over a component.

Option is a fully motorised system which simplifies this raising and lowering of the measuring head through large distances. Fine positioning can also be achieved using a jog control to the motor, or by returning to hand operation of the nut.

Although the Duresta is designed to test items mounted on its own base, measuring head assembly may be rotated through 360 degrees around its support column to allow testing of bulky items positioned alongside the machine.

Further information from Hardness Control Instruments, Maylite Trading Estate, Martley, Works (088 66 493).

MAINTENANCE New Sturtevant products

FILLING THE gap between 3 and 71 horse power capacity heavy duty vacuum cleaners for heavy duty cleaning and bulk collection is a 51 hp model called the Puma from Sturtevant Engineering, Westergate Road, Moulsecomb Way, Brighton (0273 601666).

Second new product launched by the company is the Grubber—a mobile sump emptier for the easy cleaning of machine tool sumps, which filters and returns the coolant or oil back to the machine tool for re-use.

Machine promises to empty a 50 gallon sump in about 10 minutes—where formerly this operation could take around two hours.

Other benefits are that no material is left in the sump to promote bacteria growth and the Grubber is usable with soluble or neat oil.



IN THE OFFICE Records the calls

A COMPACT desk top unit which can be connected to a single telephone instrument and will record data about both outgoing and incoming calls has been made available in the UK by Swiss company Landis and Gyr through its subsidiary at Victoria Road, North Acton, London W3 6XS (01-992 5311).

The device has only three operational push buttons, an on-off key switch and a ticket roll printer. Control is essentially internal via a microprocessor so that both operation and programming are simple.

After each outgoing call the machine called Monoprint will print data which can include number dialled, date, time, duration, number of charge units and the charge. For incoming calls the printed slip will show whether the call has been answered or not, the date and time, and, if the call has been answered, its duration. The machine can be supplied to print in any language.

The unit will function on pulse systems with or without pulse charging arrangements and the user can program it to take account of additional costs per call he may be subject to, using a special key.

SAFETY Avoiding accidents

DETAILED ADVICE—actually provided by contractors—on safe means of access by painters to most types of work in the painting industry, is contained in a new safety booklet published by the National Federation of Building Trades Employers, 82, New Cavendish Street, London, W1.

Copies of "Painting Safely" cost 90p to members (or £1.25) inclusive of p and p from the address above.

CATERING Cooking the perfect egg

PREPARATION AND precise timing for cooking eggs for mass consumption—in hospitals, hotels, schools, etc.—have always created headaches for caterers, but these problems can be eliminated with the use of a new system, announces Gardiner Wilkinson Contracts, member of the Catering Equipment Distributors' Association, 397 Bradford Road, Huddersfield (Huddersfield 20447).

For boiling/timing requirements is the SS series available in the form of three alternative free-standing units containing two, three or four egg compartments, each of which has a container with a six-egg capacity.

With each compartment is an associated timer with a maximum duration of six minutes which is set to mechanically lift the egg container clear of the heated water when the time set by the operator has elapsed.

Alternative, P Series, offers both boiling and poaching facilities, and is available with two, three or four compartments. Poaching divisions contain two poaching cups, while the egg boiling compartments have a six-egg capacity. An additional model—the P42—contains two compartments for either six poaching cups each or 12 eggs each.

Associated with each of these compartments is a mechanical timer with a maximum duration of 15 minutes; this is set by the user to determine the time for which the eggs are cooked under self-generated steam. Once the time has elapsed, the steam cooking time is automatically terminated.

MATERIALS Improves appearance

BECAUSE OF the problems of vandalism and graffiti in schools, council dwellings, public buildings and lifts, etc., surfaces have been treated with polyurethane wall coatings which, although able to stand up to tough maltreatment, are not necessarily very attractive in appeal.

One way of improving the appearance of durability-treated surfaces is by applying a light scatterer of small coloured flakes designed for this purpose by the Boston Chemical Company, Wetherby, West Yorkshire (0937 843413).

Numerous colours of flakes are available and are applied by low-pressure air-guns to the wet colour coat, then embedded.

Contract Research & Development-Contact IRD

International Research & Development Co Ltd
Fossway, Newcastle upon Tyne NE6 2YD

PROCESSING Precise mixing of resins

OFFERING small-to-medium scale plastics users a low cost system for metering a wide range of resin systems is a new machine called the Posimeter introduced by Liquid Control, Stewarts Road, Wellingborough, Northants (0933 77371).

The new unit can be used particularly to fill Supermix cartridges—the company's recently launched system for dispensing two-part resins based on a coaxial cartridge unit.

At the heart of this small unit is a Posimeter positive displacement pump with an adjustable volumetric shot range of 0.3 to 17 cc and a shot accuracy of ±0.5 per cent.

Single component materials are dispensed by simply pulling the lever mechanism; for two component resin systems, two units can be used—one for resin and one for hardener. With fairly low viscosity materials, the two pump units can be mechanically linked via a single lever mechanism.

The operator adjusts the knurled ring at the top of the unit until the correct ratio has been achieved by simply weighing the first shot, and this ring is then locked into position to provide consistent shots of resin and hardener at the correct ratio from 1:1 to 50:1 as desired. Material is fed into the unit via a hopper with a capacity of up to two litres.

Many users at this end of the market, says the company, are still mixing potentially hazardous resins by hand—but this small metering unit minimises hand contact, confines fumes, decreases waste and reduces clean-up time.

Machine stands on a small rectangular base which may be bolted in any convenient situation and can be used in a variety of industries where small quantities of one or two components materials, such as adhesives, need to be mixed.

COMPANY NOTICES

GENERAL MINING/UNION CORPORATION GROUP

DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to shareholders registered at the close of business on 20th June 1980. The registers of members of the companies will be closed from 21st June 1980 to 4th July 1980 both days inclusive.

No instructions involving a change of the office of payment will be accepted after the last day to register.

The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on the undermentioned currency conversion dates or the first day thereafter on which a rate of exchange is obtainable.

Dividend warrants will be posted on or about the dates mentioned below and in the case of non-resident shareholders, tax of 15 per cent will be deducted.

The full conditions of payment may be inspected at or obtained from the London office of the companies or the offices of the transfer secretaries.

All companies mentioned are incorporated in the Republic of South Africa.

Dividends on shares included in above warrants to bearer of West Rand Consolidated Mines Limited, will be paid in terms of a notice to be published as soon as possible after the currency conversion dates.

Name of Company	Dividend No.	Paid share cents	Currency Conversion date	Paying date	Description	Total Dividend for the year cents
Batholomew Gold Mining Company Ltd.	45	450	28.7.80	7.8.80	Final	580
Stiffington Gold Mining Company Ltd.	52	160	28.7.80	7.8.80	Final	—
West Rand Consolidated Mines Ltd.	—	—	—	—	—	—
—Ordinary Shares	58	7 1/2	28.7.80	7.8.80	Interim	—
The Griqualand Exploration & Finance Company Ltd.	98	7 1/2	11.8.80	21.8.80	Interim	—
Santruis Limited	28	37	11.8.80	21.8.80	Final	55
Trans-Natal Coal Corporation Ltd.	38	15	11.8.80	21.8.80	Final	30
The Witwatersrand (T.W.) Coalfields Ltd.	—	—	—	—	—	—
—Ordinary Stock	134	30	11.8.80	21.8.80	Final	45

By Order of the Board:
GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretary
per: L. J. Baines

Transfer Secretaries:
Chorley Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976

KELHAMPTON LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 233 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW, on Wednesday, the 2nd day of July 1980, at 3.30 o'clock in the afternoon for the purposes mentioned in sections 234 and 235 of the said Act.

Dated this 23rd day of May 1980.
By Order of the Board,
SHEILA OUGGON, Secretary.

RHINO PUBLISHING LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 233 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW, on Wednesday, the 2nd day of July 1980, at 3.30 o'clock in the afternoon for the purposes mentioned in sections 234 and 235 of the said Act.

Dated this 23rd day of May 1980.
By Order of the Board,
SHEILA OUGGON, Secretary.

THE COMPANIES ACTS 1948 TO 1976RHINO LEASING LIMITED NOTICE IS HEREBY GIVEN, pursuant to section 233 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW, on Wednesday, the 2nd day of July 1980, at 3.30 o'clock in the afternoon for the purposes mentioned in sections 234 and 235 of the said Act. Dated this 23rd day of May 1980. By Order of the Board, SHEILA OUGGON, Secretary. THE COMPANIES ACTS 1948 TO 1976STARFALL LIMITED NOTICE IS HEREBY GIVEN, pursuant to section 233 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW, on Wednesday, the 2nd day of July 1980, at 3.30 o'clock in the afternoon for the purposes mentioned in sections 234 and 235 of the said Act. Dated this 23rd day of May 1980. By Order of the Board, SHEILA OUGGON, Secretary.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

It will be published on the following dates in the remainder of 1980:

- July 14
- August 12
- September 15
- October 14
- November 11
- December 16

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NOTICE IS HEREBY GIVEN that the register of holders of the 7 1/2% convertible subordinated loan stock 1980 (the "loan stock") will be closed from June 10, 1980, to June 15, 1980, both days inclusive. During this period, the loan stockholders entitled to the half-yearly interest payment, payable on 30th June 1980, will be required to present their loan stock certificates, must be lodged with the company's registrar, Jardine, Matheson & Co. Limited, not later than 5.00 p.m. on 15th June 1980.

By Order of the Board,
K. W. YOUNG,
Company Secretary.

EDUCATIONAL

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National Council for the Training of Journalists,
Carlton House, Hemmell Street, Epping, Essex CM16 4NL.

PUBLIC NOTICES

BRITISH TRANSPORT DOCKS BOARD
ARGHIS LINES/ANTHA SHIPPING CO. S.A.

Following sale of three vessels, the "Norwegian Crusader", "Stena Transatlantic" and "Stena Transoceanic", the following equipment is situated at the Board's premises:

Three 20 ft Flat: Nos. AAAU 8102055, AAAU 8102013 and AAAU 8102025.
Five 20 ft Flat: Nos. AAU 210 622, AAU 210 623, AAU 210 624, AAU 210 625 and AAU 210 626.
Two Road Trailers: 4005 FMX 262 and 4005 FMX 263.
These have been on hand for a minimum period of six months and the Board have tried to trace the owners without success. If the owners are known, please contact the Board by letter or by telephone, stating the name of the vessel and the equipment, and all outstanding charges paid. The Board will not be responsible for the loss of the equipment without further notice.

Port Director,
British Transport Docks Board,
Dock House,
Canal Road,
Southampton, SO9 1PZ.

KIRKLEES METROPOLITAN COUNCIL
offer £4,500,000 for sale on 28th May 1980 to mature on 27th August 1980. The property is situated in the town of Ilkley and consists of 100 acres of land and all the buildings are situated on 100 acres of land. The property is situated in the town of Ilkley and consists of 100 acres of land and all the buildings are situated on 100 acres of land. The property is situated in the town of Ilkley and consists of 100 acres of land and all the buildings are situated on 100 acres of land.

SOLIHULL METROPOLITAN BOROUGH
offer £250,000 for sale on 28th May 1980 to mature on 27th August 1980. The property is situated in the town of Solihull and consists of 100 acres of land and all the buildings are situated on 100 acres of land. The property is situated in the town of Solihull and consists of 100 acres of land and all the buildings are situated on 100 acres of land.

EXETER CITY COUNCIL
offer £250,000 for sale on 28th May 1980 to mature on 27th August 1980. The property is situated in the town of Exeter and consists of 100 acres of land and all the buildings are situated on 100 acres of land. The property is situated in the town of Exeter and consists of 100 acres of land and all the buildings are situated on 100 acres of land.

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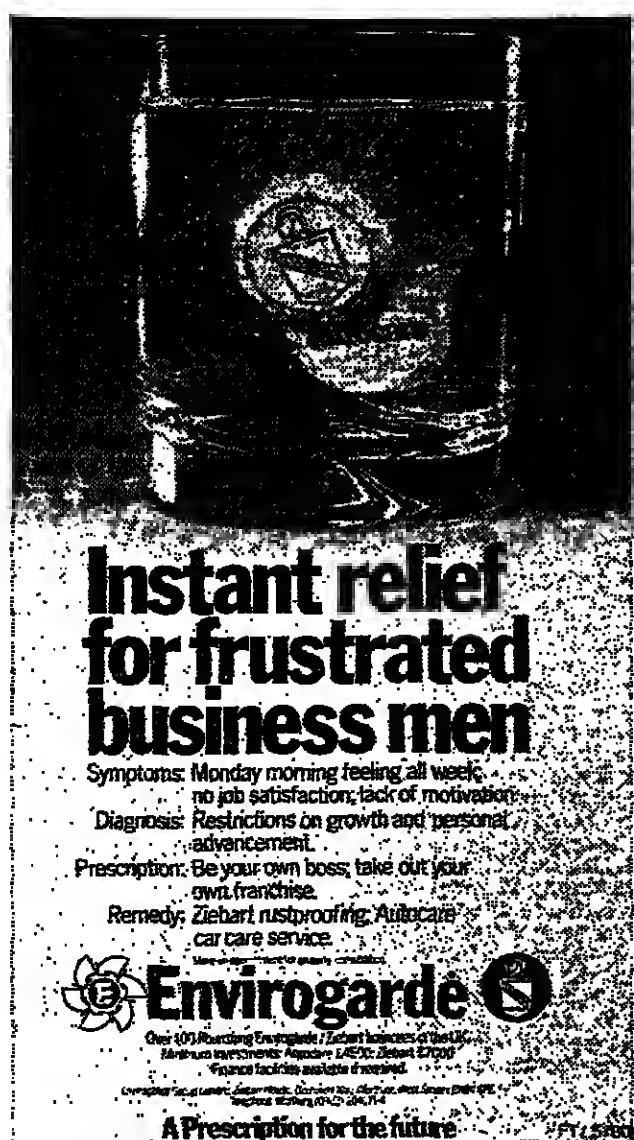
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APPOINTMENTS

Senior posts at Plessey

Mr. Martin Richardson has
been appointed a managing director
of PLESSEY ELECTRONICS
AND COMMUNICATIONS and
will be succeeded as director of
Finance of PLESSEY ELECTRO-
NIC SYSTEMS by Mr.
Christopher Beemham. Mr. Beem-
ham was previously finance director
of Mirreless Blackstone. Within
the Communications Equipment
Division, Plessey Electronics
Systems has also established a
new business out of activities
located at its site at Westleigh,
near Havant. It is to be known
as Plessey Radio Systems and Mr.
Alan Hendry has become man-
aging director of that concern.

Mr. Alan Kalsely has retired
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OF STEEL STOCKHOLDERS.

Mr. Oliver N. Dawson and Mr.
Julian R. Mathias will be resign-
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Stock Exchange early in 1981
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executive directors of F. & C.
MANAGEMENT, the manage-
ment company of the F. & C.
Group of Investment Trusts.

Mr. Derek Bandey, president
of the SOCIETY OF PENSION
CONSULTANTS for the past
two years, has been elected
president for a second term.

Mr. Neil Marsh has been
appointed a director of
TOMKINSONS CARPETS. He
continues as managing director
of Steeles Carpets.

Mr. Peter V. Aldis has been
appointed a director of CLAY
STORY WILTON AND
ASSOCIATES and will be
responsible for the company's
legal, administrative and com-
mercial matters.

Mr. Howard C. Everett has
been appointed financial director
of MAXIM INVESTMENTS UK
HOLDINGS.

Mr. J. V. Sheffield, chairman
of Norcross, is the new chairman
of the BUSINESS EDUCATION
COUNCIL.

Mr. Colin Crook, at present
managing director of Rank
Freight Industries, is to relinquish
that post to become the man-
aging director of a new subsidiary
to be formed by the BANK
ORGANISATION to exploit spe-
cific business opportunities in
software engineering and sys-
tems technology arising from
the microcomputer revolution. It
will not be involved in the manu-
facture of silicon chips, but will
be concerned with the industrial,
commercial and professional
application of them.

Mr. Leslie Hall has been
appointed chairman of
EYBANK INTERNATIONAL
CONSULTANTS (PRIVATE),
the Dubai-based member of the
EYBANK Consulting Group. He
takes over from Mr. Anthony
Sage, who remains a director of
EYBANK Dubai.

Mr. J. A. Sanson has been
appointed company secretary of
A. MONK AND CO.

Sir Ashley Punsbury has been
appointed a vice-president of the
EQUITABLE LIFE ASSURANCE
SOCIETY. Mr. W. M.
Cunningham has retired as a
director.

Mr. Stanley J. Carrington has
been appointed chairman of
AMAX INC., as controller of the industrial
minerals and resources group,
which includes iron ore, potash,
phosphate and ocean transport.

The Secretary for Employment
has appointed Mr. John
Connolly and Mr. Dennis Kelly
to the NATIONAL DOCK
LABOUR BOARD to represent
dock workers. They replace Mr.
Peter Shea and Mr. A. Rafferty.
The new appointments are until
July 31, 1981.

Mr. Derek Stables, former
divisional personnel manager
for Ciba-Geigy Plastics and
Additives Company's Industrial
Chemicals Division, has been
appointed director of manage-
ment training and education for
CIBA-GEIGY (UK).

Mr. Patrick S. O'Connor, Mr.
William T. Martin, Mr. Geoffrey
Lander and Mr. Graham M. East
have been admitted to the
partnership of NABARRO
NATHANSON.

Mr. Simon Cassons has
resigned from the Board of
PATERSON ZOCHONIS AND
CO. to devote more time to the
development of his business and
personal interests.

Mr. Assad Nassr has been
re-elected chairman of the Board
and president of MIDDLE EAST
AIRLINES for the next three
years.

Lord Thorngroft has been
elected chairman of the
BRITISH RESERVE INSURANCE
COMPANY, a member of the
Rhone-Poulenc Group. Sir Charles
Forte has resigned to reduce his
business commitments but he
remains a director. Mr. John
Rea continues as managing
director.

GENERAL ACCIDENT FIRE
AND LIFE ASSURANCE COR-
PORATION has made three
senior appointments from
September 1. Mr. J. C.
Frangoulis is to be a general
manager, Mr. T. Roberts, general
manager (UK); and Mr. W. N.

Mr. Gerry A. Whent has been
made chairman of RACAL-Tacticon
and RACAL Communications and
he continues as managing direc-
tor of RACAL-Tacticon. Mr. W.
Blake is now deputy chairman of
RACAL-Tacticon and RACAL Com-
munications and he remains
managing director of RACAL Com-
munications.

Other appointments are Mr.
David A. E. Chenevix as deputy
managing director and commu-
nications director, RACAL Commu-
nications; Mr. David E. Mackenzie,
financial director, RACAL-Tacticon;
and Mr. Don J. Chapman,
production director, RACAL-Tacticon.

Subsidiaries of RACAL-Decca

will be: RACAL-Decca Marine
Radar (formerly Decca Radar),
RACAL-Decca Defence Systems
(Radar) (a new company), RACAL-
Decca Navigator (formerly Decca
Navigator) and RACAL-Decca
Survey (formerly Decca Survey).

RACAL-Decca Defence Systems
(Radar) is being established to
handle all the electronic warfare
and certain defence businesses
which were previously a part of
the marine radar company. Mr.
Barton J. Clarke is director in
charge of that company.

Mr. Gerry A. Whent has been
made chairman of RACAL-Tacticon
and RACAL Communications and
he continues as managing direc-
tor of RACAL-Tacticon. Mr. W.
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financial director, RACAL-Tacticon;
and Mr. Don J. Chapman,
production director, RACAL-Tacticon.

Subsidiaries of RACAL-Decca

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FINANCIAL TIMES SURVEY

Thursday June 5 1980

ARAB COMMUNICATIONS

Links in the chain of progress

By Patrick Cockburn

IN THREE years since the 1973/74 oil boom communications in the Middle East have undergone a spectacular revolution.

Sometimes sob stories of businessmen sleeping in grimy hotel lobbies at vast expense and shippers whose vessels were anchored for months outside congested ports now have a dated air.

Much still remains to be done. Off the southern Iraqi ports of Basra and Umm Qasr, for instance, there are 150 ships waiting to berth. In Egypt, despite some improvement, the telephone system still reduces its users to paroxysms of impatience. All over the Arab world modern highways still have an unnerving habit of suddenly petering out into narrow dusty cart tracks.

Generally speaking, however, the transformation of the communications networks—road, sea, air and telecommunications—has gone ahead at extraordinary speed. A change was certainly needed. Historically the cities of the Middle East have always been like islands, surrounded by a narrow hinterland of cultivated land, each isolated from its neighbour by long dreary stretches of waste, land, desert and mountain.

The very size of countries like Saudi Arabia, one-third the area of the U.S., means that adequate communications are a necessity before any economic progress can be achieved.

Today the threat to trade or personal access is less economic than political. The Suez Canal is open again but there are no signs of Beirut, shattered by the 1975-76 civil war, ever returning to its old status as the regional centre for the Middle East.

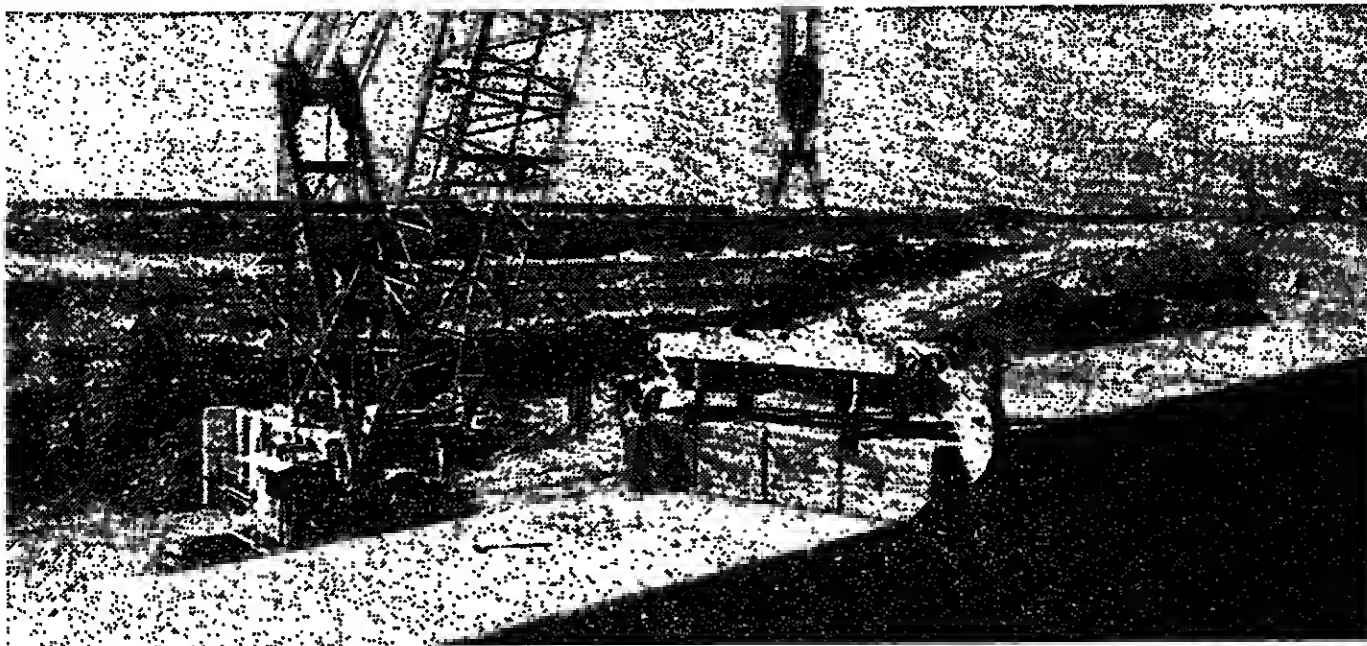
Indeed a problem for the area as a whole is that there is no central communication point such as that which was once centred in Beirut. For business, even sometimes for politics, London and Paris are often more satisfactory meeting places than anywhere within the Arab world itself.

Manoeuvres

The revolution in Iran has brought further difficulties for communications. Last year's row over war risk insurance in the Gulf appears to have died away for the moment but the manoeuvres of the U.S. fleet at the mouth of the Gulf is a worrying portent for the 1980s. The separate Iraqi-Syrian dispute, despite a thaw in 1978-79 once again threatens to disrupt overland links between the Syrian Mediterranean ports and the Gulf.

The sanctions by the EEC, the U.S. and Japan against Iran inevitably has its compensations. Dubai and Kuwait will clearly benefit through a rapid growth in re-export trade. Overland trucking through Turkey is already being stepped up, but in general the air of crisis which pervades so much of the Arab world inevitably hinders communications. For businessmen a good telephone system is a relief but this is often balanced in Saudi Arabia, Iraq and Libya by a simple inability to obtain visas.

Throughout the Gulf region and neighbouring Arab world huge investments are being made in communications networks of all kinds. The drive to modernise the regional economy has broken down barriers which have stood for centuries.



One of the biggest projects in the Gulf is the \$1bn port complex being constructed at Mina Jebel Ali in Dubai. Scheduled for completion early next year, it will have 66 berths. Shown here are the special hydraulic tongs used to place the quay wall blocks.

Despite all the technological advances in communications such simple yet frequently insurmountable hazards show every sign of increasing.

The greatest interest today is in telecommunications rather than sea ports and airports. Saudi Arabia and the lower Gulf is now well provided with the latter, though Iraq, now the second largest oil exporter in

OPEC still has significant problems. The contract for Baghdad airport was only signed last year—to be completed in 1982. Elsewhere the problem is too many rather than too few facilities, notably in the United Arab Emirates, where unused airports and harbours remain as sombre monuments to the over-optimistic aspirations of the early 1970s.

National airlines continue to expand to cope with the growing traffic. This year they will carry almost 20m passengers, an increase of 15 per cent on 1979. To increase carrying capacity and replace some ageing aircraft, the Arab world should order some 500 jet airliners worth \$5bn over the next decade. As the most successful manufacturer selling to the area

Boeing is best placed to take advantage of this market.

But the sums to be spent on air transport are now smaller than those allocated for a rapid expansion in the telecommunications network between 1979 and 1981. 3.5m new telephone lines are likely to be installed and an additional 3.8m between 1981 and 1985. The biggest contract awarded was, predict-

ably, in Saudi Arabia where a Euro-Canadian group is adding an additional 460,000 lines. But even when this is completed Saudi Arabia will still be well short of the 1m lines needed. Some SR 18bn (\$5.4bn) is allocated for Saudi telecommunications in the next five year plan.

Egypt, which has plans for a total overhaul of the telephone system over the next 20 years, could spend up to \$20bn. But there are clearly immense difficulties in keeping the present antiquated system in operation. Iraq and Syria are also proving expanding markets.

But even in the more developed Arab countries it is difficult for demand to keep up with supply. In Bahrain, for instance demand for telephones increased in 1975 from 150 to 750 units a month. Businesses get priority for telephone installation but private subscribers have in the past have had to wait a long time.

Candidates

Without a reasonable telephone and telex system it is unlikely that the offshore banking units would have gone to Bahrain, which has become the communications centre for the Gulf. Other candidates for this role, such as Dubai, have been less successful. Almost everywhere in the emirates, apart from Abu Dhabi, magnificent but largely empty hotels show the limits to the market.

Road communications and car ownership have expanded as spectacularly as the airlines. Saudi Arabia already has as many heavy trucks as the UK—while a list of the leading merchant families of the Gulf and Saudi Arabia is also largely a list of the main agents for Western and Japanese car manufacturers. The state of the roads and the quality of driving ensures that the life expectancy of any vehicle is limited, and

hence the flow of imports will always find new, albeit highly competitive, markets.

The road network, although being extended rapidly, is still inadequate. There is no metalled road linking North Yemen to Saudi Arabia, although one is under construction. Later this year a road between Khartoum and Port Sudan on the Red Sea will transform the transport structure of Sudan.

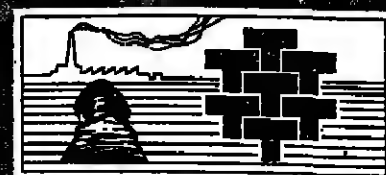
In the Gulf oil States the most vital roads are already built. At the beginning of the decade there was no road between Doha and Abu Dhabi but now the south of the peninsula is linked to the Gulf cities by a fine road snaking through the hills. In Saudi Arabia, Iraq and Jordan the roads will be supplemented by new railway systems.

Such technical progress is impressive but its counterpart is growing political obstacles to communications. As the political climate in the area worsens, barriers to travel increase. Better roads, airlines, telephones have all helped to make the Arab world a more coherent whole but closer physical links between neighbouring Arab States have also played their part in increasing friction between neighbouring States.

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Camels looking forward to a trip beneath the Suez Canal now Tarmac's tunnel has reached Sinai.



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During the past year 35 international airlines have brought 268,000 transit passengers through Beirut Airport

Beirut has one of the busiest airports in the Middle East. The past year has seen a considerable increase in passenger traffic through Beirut and MEA has made a major contribution to this growth.

Situated seven miles from the city centre, Beirut Airport is the crossroads for air traffic between Europe and the Middle East. And it is the home of MEA, one of the most important airlines in the region, linking London with every major business centre in the Middle East.

MEA offers travellers a good deal — convenient departure times, comfortable transit facilities at Beirut and a standard of service that makes every flight an enjoyable one.

For more information contact your IATA agent or MEA, 80 Piccadilly, London W1V 0DR, telephone 01-493 5681



AIR TRAVEL to, from and within the Middle East has been growing rapidly in recent years, reflecting the economic upsurge of that region. Recent studies by the International Air Transport Association indicate that in the period up to 1984 passenger air travel between Europe and the Middle East is expected to grow at an average annual rate of about 10.6 per cent, slightly below than earlier forecasts but still above the IATA average for the rest of the world.

This estimate takes account of the developments in Iran over the past year or so, and also economic factors which influence civil aviation—such as the rapid rise in oil prices. The forecast also takes account of the fact that while some major development projects in various parts of the Middle East have now been completed, reducing demand for air transport to some extent, the longer term prospects are for continued substantial investment in the region, generating not only increased travel to it from outside, but also a substantial rise in the volume of internal air travel, and especially business travel.

In the Middle East, more so perhaps than in many other parts of the developing world, civil aviation is much more than just a business operation. It is the principle vehicle whereby all parts of this vast region are linked together, improving social and cultural as well as economic and political ties. Mr. Salim Salameh, secretary-general of the Arab Air Carriers Organisation, says that "commercial aviation is definitely at the centre of our lives and must be enabled to play its role in the best and most stable manner."

The major airlines of the Arab world (Air Algerie, Alia of Jordan, Egyptair, Gulf Air, Iraqi Airways, Kuwait Airways, Libyan Arab, Middle East Airlines of Lebanon, Saudia of Saudi Arabia, Syrian Arab and Tunis Air) are collectively carrying more than 17m passengers, or just over 10 per cent more than in 1978, and this figure is expected to come close to 20m for the current year.

The biggest single expansion by any airline was recorded by Saudia, whose traffic rose by

about 26 per cent to reach just under 8m. This is expected to rise further in 1980 to reach just over 9m, reflecting the very substantial contribution that civil aviation is making to the internal development of Saudi Arabia as well as internationally.

Dependence

Collectively, the fleet of these airlines totals just under 200 aircraft, of which the majority (about 180) are jets of various kinds. Although the wide-bodied airliners figure prominently in the fleets of some carriers, notably Boeing 747 Jumbos in MEA and Saudia, and Lockheed TriStars with Gulf Air and Alia, it is significant that a substantial proportion of the jet fleet, around one-third still consists of ageing Boeing 707 aircraft, while there is also a heavy dependence upon short-to-medium range equipment such as Boeing 737s and 737a (over 80 aircraft in all), reflecting the regional nature of many of the airlines' operations.

The Middle East is thus regarded by the major manufacturers as offering one of the biggest future sales opportunities in civil aviation. It is estimated that during the 1980s probably as many as 300 new jet airliners of various kinds, worth upwards of \$5bn, are likely to be ordered both to meet traffic growth and to replace existing ageing airliners.

All the major manufacturers are lobbying hard in the area. Boeing of the U.S. sees a possible future market for upwards of 200 aircraft of its own types — not only more 747s but also substantial numbers of new short-to-medium range semi-wide-bodied 767s and smaller 737s — worth over \$3bn. Lockheed hopes to sell more TriStars, especially of the long-range Series 500 model.

So far, McDonnell Douglas has not penetrated the Arab market with either its long-range DC-10 or new short-range Super DC-9, and Airbus Industrie has only won sales from Egyptair and Tunis Air, so that for both manufacturers the opportunities are regarded as very substantial.

Among airlines in the region which are expected soon to settle their re-equipment plans are Middle East Airlines and Kuwait Airways, but over the next two

to three years the orders by others are also likely to build up rapidly.

Middle East Airlines, of the Lebanon, which has had a tough fight to survive in the recent past as a result of the civil wars in that country, now believes that it is through the worst times, and is hoping for a record profit for 1979 when the accounts are issued soon. Mr. Fawzi Saada, UK general manager, says that "we feel there are positive signs that things are at last beginning to move in the right direction." The airline's re-equipment programme, replacing its ageing Boeing 707 and 720 airliners with wide-bodies, will be one of the biggest in the region. The examination over the past year or so has covered all the wide-bodied jets available, from the A-300 Airbus up to the Boeing 747 Jumbo jet. At least ten aircraft are likely to be ordered initially, with substantially more coming through the rest of the 1980s.

A comparatively recent feature of Arab airline development is the emergence of international collaboration.

The possibility of some of the airlines in the Middle East getting together to buy common equipment, along the lines of the European Atlas and KESU consortia, is now under discussion. Initially, Saudia, Middle East Airlines, Alia of Jordan, Kuwait Airways and Gulf Air have been principally engaged in the discussions, but the aim is to open the consortium for all Arab carriers. The consortium airline, the name of which has not yet been settled (but may be Pan Arab Airlines), would be financed by its contributing members (which would continue to operate their own separate route networks, as hitherto), and it would have its own long-haul equipment and operate as an airline in its own right, with the contributing members of the consortium sharing the resulting profits (or losses).

Computer

Another collaborative development of considerable long-term significance to the Arab airlines in the Middle East will be the operation from about 1982 of a big new \$40m reservations computer that is being financed by 10 airlines; it will be based in Bahrain and available to all the contributing operators. This is likely to revolutionise the sales capacities of these airlines, which

hitherto (apart from Gulf Air, which has a computer system) have been obliged to buy sales and reservations computer time from other big non-Arab airlines.

The Arab airlines will probably set up an operations company to run the computer, and a separate holdings company to own the facilities. Although initially intended for reservations purposes, eventually the computer facilities envisaged could be enlarged to take in many aeronautical activities, such as flight planning, inventory control, payroll and cargo facilitation, as is already done by computers run by major Western airlines. Saudia is likely to be the biggest user of the system, followed by Gulf Air and MEA. Iraqi Airways was originally involved, but withdrew when it was decided to use Iraq's own central Government computer for the airline's needs.

For the longer term, another new development under discussion is the formation of a new Arab consortium airline that would operate long-haul flights between points in the Middle East and the U.S., South America and the Far East. Initially, Saudia, Middle East Airlines, Alia of Jordan, Kuwait Airways and Gulf Air have been principally engaged in the discussions, but the aim is to open the consortium for all Arab carriers. The consortium airline, the name of which has not yet been settled (but may be Pan Arab Airlines), would be financed by its contributing members (which would continue to operate their own separate route networks, as hitherto), and it would have its own long-haul equipment and operate as an airline in its own right, with the contributing members of the consortium sharing the resulting profits (or losses).

Originally, it was thought that such consortium operation would include Concorde flights between the Middle East and New York, via France. While this idea has not been entirely dismissed, it seems more likely that the consortium would initially use subsonic long-range jet equipment, such as Boeing 747s, McDonnell Douglas DC-10s or Lockheed Series 500 TriStars.

One of the longer-term prob-

lems that the bigger airlines of the West will have to watch carefully is the growth of "regionalism"—a closer banding together of Arab airlines in the face of what they regard as lack of interest shown by the western carriers in Arab civil aviation's own development and needs. The Arab airlines have already expressed their irritation at the way in which some Western airlines have established new end-to-end routes (at cheaper fares) that traverse the Middle East whilst denying the Arab carriers any share of the traffic generated.

Objections

This is a similar objection to that raised last year by the airlines of ASEAN (Singapore, Malaysia, Indonesia, Thailand and the Philippines) at the new Australian International Civil Aviation Policy (ICAP)—which they claimed was denying them a share of the increased cheap-fare traffic travelling between Europe and Australia through their own territories. So far the Arab airlines' protests have only gone as far as trying to force a resolution through last year's annual meeting of the International Air Transport Association in Manila, in common with the African Airlines' Association, that would oblige all members of the IATA to negotiate routes and fares through that body, and thus outlaw "bilateralism"—the stitching up of end-to-end routes by big airlines of the developed countries at the expense of smaller Third World operators in between. The resolution was watered down, however, by the bigger airlines, and thus its effect virtually nullified, because they could see in it the danger to themselves.

But the cause of the irritation remains, and it is not surprising that in recent months there has been a marked strengthening of regional interest, not only in the Arab World but also in Africa and the ASEAN airlines. This growth of regionalism in air transport affairs, if carried to its logical extreme, can only be damaging to the airlines of the West, unless the latter recognise that they must pay more attention to the needs of the smaller developing carriers of the Third World, including particularly those of the Arab world.

Michael Donne

AXE: the best digital switching investment for telephone administrations?

Here are 23 considered opinions.

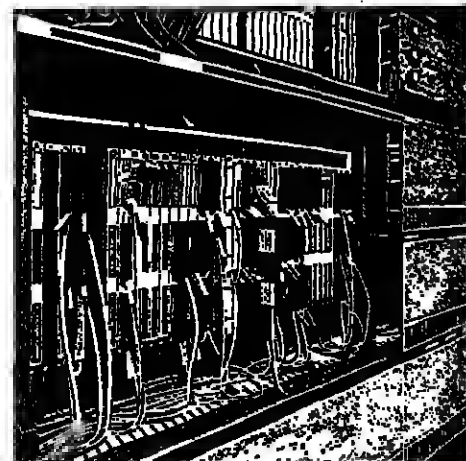
Argentina
One digital exchange, serving 7000 subscribers, ordered July 1979. Cut-over 1981.

Australia
A system choice for the modernization and extension of the Australian telephone network. Contract awarded September 1977.

A first analogue exchange with a capacity of 4000 lines is on order. Future deliveries to be produced locally. About 1.5 million lines will be installed during the 80s.

Bahrain
AXE first ordered February 1979. On order: a combined exchange for 10,000 subscribers and 6000 trunks. Cut-over 1981.

Brazil
Tender issued by Telebras, in 1976, for an analogue switching system. AXE was one of three systems chosen for the development of the Brazilian telephone network. Five analogue local exchanges serving 50,000 subscribers are on order. Local production.



A typical computer (the AXE 212) and a super high-speed programming language were designed to meet the requirements of the AXE software. The language is a high-level, structured language, and the software is a high-level, structured language.

Colombia
Following keen competition in international tenders, AXE digital exchanges serving 230,000 subscribers and 12,328 trunks have been ordered.

Denmark
First ordered AXE October 1977. Orders to date: three digital transit exchanges for 26,000 trunks; one exchange for 10,000 mobile subscribers; two local exchanges for 6000 subscribers. First exchange cut-over 1980.

Finland
First AXE ordered March 1975. In service: one local analogue exchange for 4000 subscribers (cut over 1977) and one digital transit for 480 trunks (cut over 1978). The following digital exchanges are on order: one exchange for 10,000 mobile subscribers; 19,000 local lines; and 1440 trunks for extensions.

France
In May 1976, after an international tender for analogue exchanges, the French PTT selected AXE as one of two systems. The first exchange, with an initial capacity of 12,900 lines, was handed over in June 1979. Local exchanges for 600,000 subscribers are on order. Local production.

Ireland
The digital AXE system has been chosen by the Department of Posts and Telegraphs, for an extensive expansion and modernisation of the telephone network of the Republic of Ireland.

Italy
First AXE, with a capacity of 960 lines, handed over in December 1978. In addition, two transit exchanges with a multiple capacity of 4800 lines are now in service. On order: a further 7680 trunks—two exchanges with capacity of 6240 trunks and 1440 trunks for extensions.

Kuwait
Three digital exchanges for 30,000 subscribers, ordered in June 1977 after an international tender. Another tender resulted in an order for an additional 40,000 subscribers.

Recently, extensions for 40,000 subscribers have been ordered, bringing the total to 110,000 subscribers.

Madagascar
One local exchange, serving 20,000 subscribers, ordered in 1978.

Malaysia
Three AXE local exchanges, serving 40,000 subscribers, are on order.

Mexico
Contract signed March 1979. On order: digital AXE equipment for 25,000 subscribers. Cut-over 1980.

Netherlands
International tender consisting a system choice. Late 1977 PTT announced their choice of AXE.

To date, orders placed for 16 local exchanges with a capacity of 42,496 subscribers. Original decision for analogue equipment has recently been changed to digital. First exchange will be cut over in 1980.

Three districts in the Netherlands—Rotterdam, Breda and Goes—will be served by AXE.

Norway
First order September 1978: two digital exchanges for mobile subscribers with a total capacity of 25,000 lines. The Oslo exchange starts operation in 1981, the Bergen exchange in 1982.

Panama
First AXE ordered February 1978. On order: three digital local exchanges with a total capacity of 10,000 lines. First exchange cut-over 1980.

Saudi Arabia
The tender, issued in 1977, was the largest single contract in telecommunications history: an SPC system choice for the extension of the Saudi Arabian

network. On the 25th January 1978 a consortium of L.M. Ericsson, Philips and Bell Canada was awarded the contract.

In addition to up-grading existing Crossbar exchanges, L.M. Ericsson will deliver 24 AXE digital exchanges for 183,000 subscribers and 66,720 trunks. To date, seven transit exchanges for 42,240 trunks and six local exchanges for 50,000 lines are in service. On order: 93,000 subscriber lines and 24,480 trunks.

Spain
First AXE ordered December 1977. Three digital local exchanges for 30,000 subscribers are on order. First exchange to be handed over in 1980.

Sweden
First exchange cut-over March 1977. On order: twelve digital local exchanges for 242,000 subscribers and two digital exchanges for 20,000 mobile subscribers.

United Arab Emirates
Fully-digital AXE exchanges serving over 40,000 subscribers were ordered in January 1980.

Venezuela
One local AXE exchange serving 5000 subscribers handed over December 1979.

Yugoslavia
First AXE ordered January 1979. On order: twelve local exchanges for 76,000 subscribers and two transit exchanges with a multiple capacity of 5135 lines. Local production.

Today, the world's telephone administrations are faced with the need to make a rapid transition from analogue to digital, telephone. The key investment decision is the choice of telephone exchange system, since the exchange, once installed, has an economic life of many years. The exchange contains the intelligence of the network, and defines the possibilities for flexible long-term development.

The Ericsson AXE digital switching system is considered exceptional in its ability to provide low long-term operating costs and outstanding versatility. By March 1980, just 37 months after its introduction, it had been chosen by administrations in 23 countries.

Success like this is vital to any digital switching system. It means that AXE will be continuously enhanced and developed, making it even more attractive to telephone administrations all over the world.

These facts contribute to making AXE a sound long-term investment.

The Ericsson Group

Telephone development
L.M. Ericsson
S-136 25 Stockholm, Sweden.

Partners in telecommunications progress worldwide.

... and airport expansion to match

IT IS estimated that during 1979 the major airports in the Arab world between them handled more than 20m passengers, a rise of close to 30 per cent, reflecting the booming air traffic to, from, within and through the region.

For the coming year, although recession in the Western world has substantially reduced forecasts of traffic growth, it seems likely that the Arab countries as a whole, and especially those of the Middle East, will continue to enjoy a period of considerable expansion, and total traffic at the main airports of close to 25m passengers is possible.

To cope with this expansion, which is expected to continue through to the end of the century at comparably high rates, there is a major programme of airport improvements under way, supported by a substantial number of new airport developments, ranging from small local airfields to massive multi-runway developments such as new airports at Riyadh and Jeddah.

It has been estimated that, throughout the developing world as a whole some \$40bn is likely to be spent on airports and all their ancillary services over the next decade, and that of this sum perhaps as much as one-third is likely to be spent in the Arab world, and especially the Middle East.

Programme

By far the biggest programme of airport developments in the Arab world is that being undertaken in Saudi Arabia, where the Saudi Arabian International Airports Projects (IAP) organisation has been set up specifically to administer the construction of the three major new international airports in that country—Riyadh, Jeddah and Dhahran. At the same time a major programme of airport improvements and developments is being undertaken throughout the country, at such airports as Qassim, Hail, Bisha, Abha, Jizan, Wajda, Taif, Khafji, Qorayat and Rafia, mostly to cope with the rapidly expanding domestic traffic throughout the Kingdom.

Riyadh's new international airport is due to be opened in 1983. It is designed to meet the air traffic needs of the capital up to the end of this century. Sited about 35 km north of the city it is designed to cope with as many as 15m passengers

annually by the year 2000. It will be in effect a city in itself, with two large new terminals, a Royal Pavilion, and a 390-metre ceremonial road leading to a Great Mosque that will be capable of holding 5,000 worshippers.

The new Jeddah Airport, which is costing about \$311bn (over \$1.4bn) is sited some 12 miles north of the city, and also is a massive airport which when completed will be one and a half times bigger than five of the busiest U.S. airports (Kennedy, La Guardia, Newark, Chicago and Los Angeles International) put together, and covering over 105 sq km. It is expected to become the busiest airport in the Middle East, especially at the time of the annual pilgrimage to Mecca, when it will be handling up to 80,000 pilgrims in addition to other passengers every day by the end of the century.

Completed

The new Jeddah airport has two parallel runways, one 10,890 feet long and the other 12,540 feet, both of which have been completed. Phase One construction began in 1974, and besides the runways, has included the northern (international) and southern (domestic) passenger terminals, a TriStar maintenance and overhaul facility, air cargo terminals, food service buildings, and various airport utilities and support buildings, including navigation aids, a Royal Pavilion, part one of a desalination plant, communications system and mobile lounges to take passengers to their aircraft.

Phase Two, to be completed by 1985, will include a new Jumbo jet hangar, a Royal Saudi Air Force Base, a big separate pilgrims' terminal, Saudi Arabian Airlines, own new maintenance and overhaul base, special flight services and general aviation facilities, hospital and quarantine facilities, airport administration building, an air mail terminal and the second phase of the desalination plant.

The airport will include four mosques—in the south terminal, air force base, quarantine facility and Haj terminal—with prayer rooms in other buildings. The main operations aprons will accommodate 44 aircraft,

ranging from 747s to small Boeing 737s. The separate Haj terminal will have two aircraft aprons, each capable of 10 gate positions, and 13 holding positions, so that 20 big jets of jumbo size can be at the gates with another 26 at the holding positions at any one time.

The Haj terminal itself, at the northern end of the north terminal, will consist of two separate structures, each 2,460 feet long by 1,115 feet wide, on either side of a central hall. Each structure will have five "modules," each in turn capable of handling 8,000 pilgrims a day, giving the grand total of 80,000 pilgrims a day. The Haj terminals will be topped by the world's largest fabric roofs—5,000 square feet of fibreglass materials coated with Teflon and shaped like tents.

The first part of the new Jeddah airport is due to come into operation later this summer. The new airport is expected to handle more than 5.5m passengers in its first full year, rising to over 11m a year by 1980, with the number of aircraft movements rising from 80,000 to 119,000 a year by the end of this decade.

Construction manager for the Jeddah airport is Saudi Arabian Parsons/Daniel International (Saudi Arabia), a joint U.S./Saudi venture. The main contractor, Hochtief, is West German, the architects and consultants are American, and the many sub-contractors come from Germany, Italy, the U.S., the UK, Japan, Saudi Arabia itself and other countries.

Selected

A site has been selected for the new airport at Dhahran, 43 kilometres north-west of Dhahran and 36 kilometres west of Dammam. Construction is expected to begin in 1981, with the first phase expected to be completed about four years later.

Many other major airport developments are taking place in the Arab world.

In the Lebanon Beirut International Airport is to be expanded to handle 6m passengers a year by 1980, compared with the present 1.5m, at a cost of close to \$300m. The programme involves substantial modification of the existing terminal, with the addition of 65,000 sq m of floor space, and

including the provision of new airline offices, relocation of a new 2,700 m runway, fuel stores. Also involved will be equipped for full instrument landings, a new air cargo zone, including hangars, warehouses and workshops, and additional parking space for cars. The work will be undertaken while the existing airport continues to function normally and is able to cope with up to 16 aircraft at any one time.

Feasibility

The Bahrain Civil Aviation Directorate recently awarded a contract to British Airports International (BAI)—jointly owned by the British Airports Authority and International Airports (London)—to prepare a master plan and feasibility study for the development of Bahrain International Airport. This study will result in a development plan designed to meet the projected needs of the airport in terms of both passengers and cargo over the next 15 years. BAI will be working on the venture in association with Sir Alexander Gibb and Partners and British Airways Associated Companies.

The International Civil Aviation Organisation (ICAO)—the aviation technical agency of the UN—is also playing a significant role in the development of airports in the Arab world as part of its overall technical assistance programme for the developing countries, which has exceeded \$175m since 1972.

Among such programmes aided by ICAO has been the new Hodeidah Airport in Yemen, which was formally opened on September 27 last, as part of an overall civil aviation development plan for that country which includes the development also of Sana'a (the capital) and Taif airports, as well as the preparation of preliminary sketch plans for nine domestic airfields. Forecasts indicate that with the new programme, air traffic to and from the Yemen could rise to as much as 256,000 passengers by 1988.

In the Sudan there are plans for improvements to Khartoum airport, including a runway extension to 2,500 metres so that it can accept wide-bodied jets, and also further long-term plans for all Sudan's airports.

Michael Donne

ARAB COMMUNICATIONS III

Home fleets build up

THE TENSION in the Middle East and the chronic overcapacity in the market for Very Large Crude Carriers (VLCCs) have tended to distract attention from the steady growth in Arab shipping fleets over the past few years.

When oil prices first went through the roof in the mid-1970s there were suggestions that the wealthier Middle East oil States would embark on a hectic expansion of their oil tanker fleets.

The Arab countries are in general keen to build up their own shipping fleets and have figured prominently in the various debates of the United Nations Conference on Trade and Development (UNCTAD) which have been concerned with directing more traffic to countries of cargo origin.

Their original desire to become major shipowning countries has been tempered, however, by experience during the late 1970s. Arab shipping fleets have been suffering the effects of the world's worst shipping recession for 50 years, just like everybody else.

In common with the world's major tanker fleets, the infant Arab tanker fleets have had to face depressed freight rates and this has led their owners to rethink their earlier ambitious investment programmes.

Reversed

At the end of 1977 the Arab Maritime Petroleum Transport Company (AMPTC), which is owned by all the leading Arab States, announced that it was going to invest \$300m in expanding its fleet of small tankers and oil products carriers. A few months later this policy was reversed and the company started buying cheaper, secondhand yessels. This, however, did not prevent it running up sizeable losses and requiring subsidies from its shareholders. The story is much the same in the dry cargo market. The collapse in the Middle East shipping boom in 1977 led to the United Arab Shipping Company (UASC) the standard bearer for Pan-Arab shipping aspirations, turning in heavy losses.

With the recent rise in oil prices the dry cargo markets, at least in the Middle East, have started to recover as the increased purchasing power filters through the economy.

Despite this, there is still serious overcapacity on many trade routes and the build-up of Arab shipping fleets has suffered from the shortage of trained seamen—a problem exacerbated by the ostracisation of Egypt, the one country which has a large pool of potential seafarers.

Nevertheless the size of the Arab shipping fleet has been growing considerably faster than the overall world shipping fleet. In 1967 it amounted to just 1m grt, as against a world fleet of 182m grt.

On the eve of the first rise in



Up to 85 per cent of Middle East general cargo is thought to be eligible for containerisation

Arab oil prices in 1973 the Arab shipping fleet totalled 3.3m grt, compared with a total world fleet of 290m grt. The latest figures, which run up to July 1979 show that in the intervening period the world fleet has grown by 42 per cent to 413m grt while the Arab shipping fleet has grown roughly four times as fast to 9m grt.

Over the last couple of years the growth in the world shipping fleet has slowed but the Arab shipping fleet has continued to expand. Kuwait has the largest Arab shipping fleet, with 270 ships of 2.4m grt. Last year its fleet grew by over 8 per cent and the Algerian fleet (132 ships totalling 1.3m grt) grew by 9.2 per cent.

Meanwhile Saudi Arabia, which had only 58,000 grt of shipping in 1972, increased its shipping fleet by 16 per cent to 1.4m grt last year. The growth in the Arab shipping fleets will continue at an above-average rate. Kuwait in particular seems destined to expand its tanker fleet by a very sizeable amount over the next couple of years.

Indication

Figures on new shipbuilding orders are often unreliable and conflicting but they give an indication of the scale and direction of new investment in shipping. Although Lloyd's merchant shipbuilding returns for the first quarter do not record any orders for Kuwait, Fairplay International's world shipbuilding statistics show that Kuwait had 13 tankers of under 150,000 dwt on order and two tankers of 270,000 dwt. According to the 1980 Fairplay World Shipping Yearbook, the Kuwaiti Government-owned, Kuwait Oil Tanker Company has a fleet of 2.1m dwt and ships on order will increase the size of the fleet by two thirds.

Other Arab countries also have a number of orders in the pipeline which will increase the size of their fleet. The Algerian Government-controlled Compagnie Nationale Algérienne de

Navigation (CNAN) is building two liquefied natural gas carriers at the French shipyard Chantiers de L'Atlantique, Algeria also has several container ships on order. Egyptian Navigation has around a dozen dry cargo ships on order at Egyptian yards.

All these orders will swell the size of the Arab merchant shipping fleet. Even so the Arab fleet represents only just over 2 per cent of the total world shipping fleet and it will be several decades before the Arab world can carry the bulk of its cargoes in its own bottoms. For the time being the majority of shipping services in the Arab world are dominated by non-Arab shipping companies.

At one extreme there is P & O's 33-year-old Dwarika which carries Moslem pilgrims from Bombay and Karachi to Arabian ports. But for the most part the non-Arab shipping companies concentrate on general cargo.

When the Middle East trade boom took off in the mid-1970s shipping companies flocked to the Gulf in search of business and ever since then shipping services have been in a constant state of flux. More recently, the problems in Iran have led to a downturn in shipping traffic and this has led to serious overcapacity and fierce rate cutting throughout most of the Gulf.

Because of the continued

presence of aggressive outsiders the established shipping conference lines have found it difficult to maintain adequate rate levels.

At the start of the shipping boom seven years ago the Middle East was desperately short of modern port facilities and suffered severe congestion. This led to a tremendous growth in roll-on/roll-off services. Port congestion was eased and land transportation was facilitated.

With the heavy investment in ports the emphasis on roll-on/roll-off ferry services has slackened and increased emphasis has been put on pure container ships.

Eligible

A number of observers have suggested that up to 85 per cent of the Mid-East general cargo traffic is eligible for containerisation. As a result, some shipping companies are concentrating on pure container services.

Others, however, feel that ro-ro ships still have a role to play because of their greater flexibility and a considerable amount of ro-ro tonnage is still dedicated to the Europe-Middle East services by the Scandinavians in particular.

The pattern of Mid-East container traffic has been altered recently by the inroads made by groups such as Overseas Containers (OCL), which now stops at Jeddah, for example, as part of the Europe-Far Eastern service through the Suez Canal. This is hitting into the market share of companies such as Cunard Arab Middle East Line (CAMEL).

At the end of this year OCL is taking over P & O's services between Europe and the Gulf and will operate a containerised service in conjunction with Ellerman City Lines, Hansa, Nedlloyd, Compagnie Maritime Belge and the United Arab Shipping Company. OCL is currently fitting more economical diesel engines to two of its containers to be employed on this route.

William Hall

ARAB SHIPPING FLEETS ('000 grt)

	1973	1979
Kuwait	677	2,428
Saudi Arabia	58	1,443
Iraq	228	1,328
Algeria	163	1,258
Libya	37	885
Egypt	269	542
Morocco	58	364

Source: Lloyd's Register of Shipping

Saudi telephone system scores world first

SHARIF HUSSEIN, grandiloquent but luckless ruler of Hejaz, enjoyed the telephone and once stayed an hour on the line in holy Mecca to hear an Egyptian brass band in wicked Jeddah. Last year, on the other hand, a Saudi family was much castigated in the Press for relaying the 90-minute King's Cup Final to their son in California by telephone.

In 1927 the Saudi king needed a fatwa, or religious ruling, to clear the telephone of the prohibitions believed to be inherent in Islamic law. Today in middle-class households an intercom system between the male reception room and female quarters is de rigueur; unmarried girls, denied the company of males, can at least ring them up—and do so.

By the end of next year Saudi Arabia will have the world's first metropolitan telephone system that is entirely computer-controlled. After four years of immense difficulty, and the expenditure of well over \$3bn, a joint venture of Philips of Holland and L. M. Ericsson of Sweden will have added 465,000 new telephone lines through Stored Programme Control exchanges.

Density

Taken with lines already installed before the contract was awarded at the end of 1977, the project will provide about one telephone line for every 10 of Saudi Arabia's inhabitants. Although the line density will be good in the main towns, well-served and the contract must be extended. The joint venture (and their heroic subcontractor for the civil works, Dong Ah of South Korea) has already received a \$800m supplement to provide the basic cabling and trenching work for over a million more lines between now and the mid-1980s.

Dr. Alawi Darwish Kayal, Minister for Telecommunications, believes that a further 285,000 lines should be installed at once. Whether he will receive

the funds is somewhat in doubt, since there is some impatience in the Planning Ministry and at the seat of power with the very high unit cost of the project so far and the frightening maintenance expenses looming ahead.

It appears Dr. Kayal's Ministry will get some \$5bn to spend over the Third Five-year Plan, starting this year, but much of that will be eaten up by the current contract, by operation of a heavily subsidised service and by training, now being undertaken with energy and reasonable success by Bell of Canada, under a \$1.1bn contract. Greater political sensitivity may rule out the old pattern of massive kickback and compensation add-on but even if the next contracting round is relatively "clean," a million new lines will certainly cost more than \$5bn in 1980 prices.

Outside the towns there seems little opportunity for further civilian trunk systems. Inter-city calls are connected by computer through one or other of two networks; a 1,200-line buried coaxial cable, installed by Sirti of Italy between Taif, Riyadh and Dammam, or through Western Electric's 5500m microwave system (960 and 1,800 channels) completed last year. The 300 microwave towers, which bedstide 10,000 km of difficult territory, have gradually replaced the 14 ground satellite stations provided by Harris International of the US. But the ground satellites would appear still to have a role in the more remote regions.

The most recent trunk contracts have been for microwave spurs outside the country (Bahrain, Qatar and Port Sudan) and for military or security communications, notably the five-year \$926m system awarded Cable and Wireless by the National Guard or Litton's \$1.5bn missile-site co-ordination network for the army. Not surprisingly, given the rivalries between the various services and their royal patrons, fear of duplication will not inhibit further contracts in the security sector. Consultants also report greater

interest in telephone monitoring and social control technology at the Interior Ministry and General Directorate of Intelligence, spurred by last winter's domestic disorders.

Automatic

Curiously enough, it was the same security considerations that ruled out telex until 1973. The 50 manually co-ordinated lines set up then are now being expanded to 15,000 as part of an automatic system worth \$13.4m to Hajj Abdullah Alneza and Frederick Electronics Corporation of Maryland, U.S.

None of this existed before 1964, when Ericsson first entered the Saudi market. Over a period of 10 years the company installed its ARF electro-mechanical (crossbar) system in the major towns and switching capacity approached 200,000 subscriber lines, a pitifully small number.

The story of the great \$3.1bn automatic telephone contract, finally awarded in a welter of recrimination at the end of 1977, is too well-known to need repeating. What has become clear is that the award of the contract to Philips, Ericsson and Bell of Canada had less to do with the alleged superiority of Ericsson's AXE switching for the metropolitan exchanges or Philips' PRX for the small towns or with the supposed low bid, than with the authority of Philips' agent. The value of Bell's work has anyway doubled since the award. Such a conclusion need not be depressing, given the usual hazards of contracting in the Arab world.

Ericsson officials, however, rightly point to three elements of the joint venture's switching which suit the difficult conditions of Saudi Arabia and the Third World. Where manpower is short, a system that controls connections, charges and trunk links by computer and is housed in tidy modules has obvious attractions. Both AXE and PRX are well shielded from sand and dust, with the miniature reeds that connect speech paths

ceased to capsules.

Moreover, both systems can "interface" with new North American switching gear that converts speech into computer language digits that can be co-ordinated within the computers themselves. These systems are expected to dominate new contracts in the Third World.

Equally, the joint venture can be proud of the speed with which it has reacted to the usual impatience of Saudi clients. It has flown in exchanges and cables from its suppliers, mostly in the home countries, and on one occasion installed an AXE just seven hours after the transport aircraft bringing it from Sweden had touched down at Dhahran Airport.

Much of the credit must go to Dong Ah, which mobilised 6,500 men in a matter of weeks and has had to dig 7,000 km of trenches in towns where local government tends to be arbitrary and the work of other excavators sloppy in the extreme. Local governors, police, and public regard the young conscripts with something approaching awe and that, curiously, is the key to the project's success.

Frightening

Inevitably, the joint venture has tended to concentrate on the smaller towns. Contract payments are timed to physical performance and the main down-town exchanges, and the digging they will require, are frightening to contemplate.

This has meant that Jeddah and Riyadh, the major towns, have seen very little improvement in telephone services, whereas connections within Ha'il or Buraidah, or international calls, are superb. Ericsson officials insist that the situation will turn round within the next 12 months, but for the moment the joint venture is low in popular esteem.

Value for money is only an intermittent factor in Saudi Government contracting. The Philips-Ericsson-Saudi system is not the best money could buy, but it is a good one.

James Buchan

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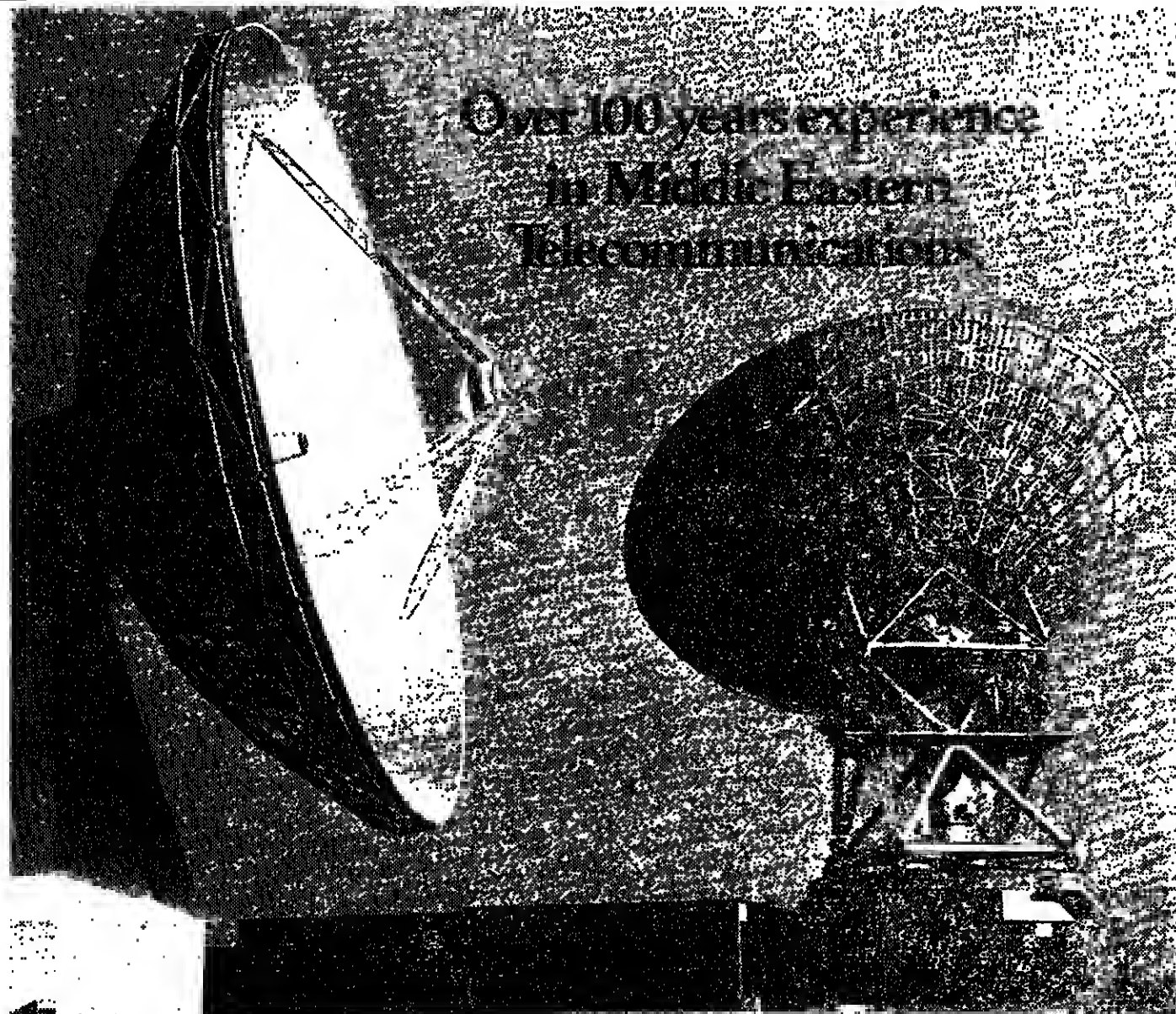
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ARAB COMMUNICATIONS IV

Vehicle agents the top traders

THE BEST-KNOWN trading houses of the Arabian peninsula — with the biggest front and the most sophisticated marketing methods — are those handling motor vehicles. They show the highest turnover — though there are a few exceptions in Saudi Arabia where the markets for heavy equipment, building materials and machinery are big enough to put dealers in some of these items into the league of the top half-dozen merchant houses.

The reasons for the predominance of the car and truck agents are not hard to find. Motor vehicles are big value items — they play a crucial role in determining the trade balance of all major industrial nations — and the Arabian Peninsula market is rich enough in per capita terms for virtually all of the indigenous population to be able to afford their own cars.

In Kuwait, the richest of all the markets, the custom is for the *paterfamilias* to buy an American car, which is relaxing to drive and at the same time makes him feel big and powerful. Japanese cars are regarded as being useful for children and

wires, whereas in the other oil states the Japanese makes are the staple for taxi drivers and all other citizens made newly affluent by the rise in government spending since 1973.

In the later 1970s American cars were still out-selling the Japanese in Kuwait, which manifestly was not the picture elsewhere in the Gulf, and Kuwaiti buyers of new American cars were still changing their cars at intervals of between one and three years. It was reckoned that Kuwait had the biggest car population per capita in the world.

Environment

Much to the benefit of the car importers the other Arabian peninsula markets share with Kuwait an exceptionally tough environment which causes cars to wear out more quickly than they do elsewhere in the world. Bad roads and heat break up the tyres, dust affects the braking system, paintwork, lights and windshield, heat and dust together damage the trim inside, and in the lower Gulf intense saline humidity wears out all the moving electrical

parts and rusts the body.

In Kuwait it is assumed that a General Motors car will have a life of just three to four years, against five or six years in the U.S. In the lower Gulf the car's life would be one year less in either of the Gulf environments, which means that in Bahrain and the Emirates their life expectancy will be two years maximum, and more likely a year or 18 months. Mercedes, on the other hand, are reckoned to last two or three years longer than the American cars, though they have huge service bills.

Most of the vehicles agents do not have special peninsula models made for them by the manufacturers — though Yusuf Ahmed Alghanim and Sons, the Kuwaiti agents for GM, orders all its cars with heavy duty batteries, radiators, suspension and shock absorbers, as well as with radios in all models and air conditioning in three-quarters of them.

The exception is E. A. Juffali and Brothers, who represent Mercedes throughout Saudi Arabia and command 70

per cent of the market for heavy trucks in the country with the highest per capita truck population in the world. (Saudi Arabia has a population of not more than 8m has as many heavy trucks as Britain, with a population of over 50m.) As an extremely valuable customer, Juffali has been able to arrange for Daimler Benz to install special suspension, a stronger chassis and a reinforced rear axle case along with the company's standard tropical features. Now the other Arabian agents import the same modified Mercedes trucks, though throughout the peninsula the mainly bedouin buyers of trucks still ask for the "Juffali Mercedes".

The bedouin drivers are people of habit in other respects too; they are often reluctant to believe that anything except the outdated 1924 and 2624 models are real Mercedes, they insist on the drab green-grey colour, which anyone who has ever been to the peninsula will recognise instantly, and they attach great importance to the 1924 and 2624 having protruding bonnets. In this last instance

the idea is that the bonnet provides a buffer between the driver and his victim in an accident. When Juffali went into assembly a few years ago it was inevitable that the factory should be built for the 1924 and 2624 despite the age of the models.

As with other products in the peninsula, vehicle agents are mostly awarded on an exclusive basis, though in Saudi Arabia exclusivity may cover only one province and not the whole Kingdom. In fact the only manufacturers to have awarded their import agencies on a Kingdom-wide basis are Daimler-Benz, Mazda (represented by Hajj Hussein Alireza), Datsun (represented by Abdel Aziz Sulaiman's Zahrani company) and Toyota (represented by Abdelatif Jameel). All of these employ networks of distributors and/or dealers, the most extensive operation by far being that of Juffali.

All of the hundred or so Juffali dealers are former truck drivers or truck brokers — the men who run offices in the truck depots on the outskirts of all the larger Saudi towns, marrying up the requirements of contractors with the owner-driver bedouin truckers. The advantage of these dealers is that they are reckoned to be socially on a level with their customers and able personally to vouch for their product.

What is interesting about the vehicle agents, all of which have extremely large turnovers by any standards, is how different they are in style of operation. To judge from the sumbers of the different makes on the roads one would think that Jameel, Alireza and Sulaiman must be running much the same types of operation as each other. Yet Jameel has a computer monitoring his spare parts stocks, has invested in massive new service facilities and is embarking on Saudi Arabia's most spectacular advertising campaign, devised partly by Dancer Fitzgerald Sample of Madison Avenue.

In contrast, Hajj Hussein Alireza, a company with a turnover in excess of \$250m, is still one of those Arabian businesses where one sees rows of Indian clerks sitting on stools working on huge ledgers. At a time when some Arabian trading houses are starting to go to the Euro-markets for finance, Hajj Hussein Alireza and Co., and many traditional companies like it, does not borrow from the banks at all.

At present the vehicle marketing business in the oil States is going through a period of transition which may lead to some change in the popularity of different makes and in the relative strengths of the trading houses.

The most conspicuous changes are in servicing, which traditionally has been a very weak area. Agents with good service back-up in the past included

Alghanim, representing GM in Kuwait, Behbehani, the Kuwaiti agents of Volkswagen, Juffali, and Almazana, the Qatari agents for Peugeot. Inevitably three of these established commanding positions for themselves in their markets — the only exception being Behbehani, which was not selling a car with much appeal in the affluent Kuwaiti market. Below this exclusive level service was so bad that there was very little to choose between makes in this respect and little competition between agents.

In the last five or six years, however, and especially now that markets are growing more slowly, service has become a fashionable area of expansion, and the market shares of those who get left behind in the race will suffer. This is not to say that the more ambitious agents will quickly reach Western levels of efficiency. On average it seems that work which in Europe or America would take one day, in Arabia takes four, and in raising this standard it is very difficult to get good personnel.

Mechanics

Jordanians and Palestinians, who are the ideal mechanics because they are relatively highly skilled and speak Arabic, are scarce and are liable to leave and establish their own garage businesses as soon as they have been trained. Koreans and Westerners are too expensive, and anyway cannot be used to service consumer goods of any type because they do not speak Arabic. The Turks, who have a large labour force with experience in working on German vehicles, suffer from the same disability and do not seem to enjoy working in the peninsula.

One advantage of developing better service operations is that they can help the established agents in their fight against the parallel importers — motor car traders who do not officially represent the makes they sell but who import large numbers of cars which they have bought in bulk from manufacturers or wholesalers. In the later 1970s parallel importers were commanding about 12 per cent of the Kuwaiti market for American cars, and because they had low overheads and were making their sales for cash they were able to undercut the established agents.

As one of the marketing managers at Alghanim put it, "You can't wage a price war against people with no overheads." So the idea of the official agents has been to narrow the price gap to as small a size as possible, and then to hope that the buyer will choose to go to the big, well-known name because he will feel more confident of getting good after-sales service and possibly an attractive trade-in deal when he decides to buy a new model. The established agent cannot



Traffic jam in downtown Riyadh, capital of Saudi Arabia

refuse to service any car of a make he represents, but in practice he can make servicing a long and tiresome process for an owner who has bought his car from a parallel importer. Trade-in arrangements, which are a new phenomenon in the Arabian Peninsula and are offered by only a few firms, are obviously reserved for owners who have bought their car from the official agent.

Advantage

Another area where the big companies are developing an advantage, over the parallel importers, is in credit terms, which is already an important (though muted) area of competition between rival makes. About 60 per cent of cars in Saudi Arabia are sold on credit, with the buyer putting down about a quarter of the price and paying the rest at up to 25 per cent on the balance — though the actual word "interest" is avoided.

These highest rates apply to Japanese cars where the availability of credit is most important, because the buyer is likely to be less well off than the buyer of an American car, and

the risk for the seller is deemed to be highest. Credit terms on Japanese cars are heavily advertised in the Saudi newspapers. It is a reflection on the reliability of the buyers as well as on the durability of the cars that the credit offered on a Japanese car in Saudi Arabia is about one year, whereas Alghanim in Kuwait will offer up to three years repayment on a GM car.

In Saudi Arabia, the sellers will normally ask the buyers for post-dated cheques (if by chance they have a bank account), promissory notes or guarantors for their debts, but in practice they still find themselves putting up a lot of effort into debt collecting. It is not so much that they suffer from many bad debts, as that debts become "heavy" lingering on beyond the scheduled repayment date, especially in summer. To remedy this situation the dealers employ teams of debt collectors. Not surprisingly it has been found that debt collecting is one of the few unskilled jobs in the motor trade for which it is easy to recruit Arabian nationals.

Michael Field

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FOR THE past five years Egypt has been seeking to re-establish international confidence in the Suez Canal. The fruits of this endeavour will be perhaps best savoured at the end of this year when the first stage of the development programme is completed and the steady increase in the tonnage using the waterway gains yet more impetus.

The Canal is of vital concern to Egypt — not just as a hard currency earner but also as an example to the world of what can be achieved in this relatively poor and bureaucratic-ridden nation. Compared with the semi-collapse of urban Cairo and the inefficiency and backwardness of much of public sector industry, it stands out as a model of efficiency and smooth operation.

When it reopened in 1975, having been closed since the 1967 Arab-Israeli war, the authorities were well aware that the shipping world had changed dramatically in the interval. Instead of shipowners and shipbuilders consulting the Suez Canal Authority about its development schemes before laying their own construction plans, the boat was now very much on the other foot. The Canal was being forced to react to new conditions imposed on it.

By the end of this year it will have partially caught up and by 1985 the process should be virtually completed. Essentially this means that the Canal is moving into the super-tanker era and is out to capture much of the trade that since 1967 has been using the Cape route.

The cost of the first development stage is over \$1.2bn and will increase the permissible draught of ships using the Canal from the present 38 feet to 53 feet. This will allow tankers of 250,000 dwt to use the Canal, fully laden and tankers of up to 370,000 dwt in ballast. Alongside the widening and deepening of the waterway three new bypasses have been constructed which will add significantly to the number of ships able to pass through during a 24-hour period. Officials hope that the present capacity of 65 vessels a day can be lifted during next year to 95 a day.

Mr. Mashour Ahmed Mashour, chairman of the Suez Canal Authority, stresses that it has been an international operation, with Japan, Holland, France,

Italy and the U.S. all involved along with other countries in smaller roles. In turn these countries provided well over 50 per cent of the finance, most of it in soft loans.

Mr. Mashour is equally adamant that the development of the Canal must continue so as to take advantage of what he expects to be an upswing in world shipping activity during the second half of the decade.

He believes the Authority has three options. The first is to push ahead immediately with the second stage development, taking advantage of the international dredger force already at work in the Canal. The second is to wait for another three years or so and then move on to the second phase. In the third, by using just its own dredgers the Authority could get the work under way next year and by moving at a slower rate ensure that completion did not come before 1985. These options would all to some extent depend on the availability of external financing and the Authority is understood to be discussing this with a number of countries.

Egypt has at least two excellent reasons for wishing to push ahead with the development programme. First, it is still a long way from winning back all the business that it enjoyed before 1967; secondly, the revenues from the Canal are of critical importance to the nation's balance of payments and its overall investment targets.

Mr. Mashour cites oil as his primary target. In 1966 nearly 180m tonnes of oil passed through the Canal; last year the figure was just 80m. This compares with non-oil cargoes which have jumped from 70m tonnes in 1966 to 200m tonnes last year. Even more significant, between 60 per cent and 65 per cent of oil-related revenues comes from tankers in ballast. With the Canal able to take 150,000 dwt fully laden tankers at the end of 1980 and 200,000 tonnes partially loaded, the earning capacity of the waterway should improve significantly. But an important slice of the market will still remain outside its grasp.

Revenues last year are said to have been over \$600m and are expected to reach \$700m in

1980. Because of the Egyptian Government's decision to change the start of the financial year from January to July, however, the latest estimate is for earnings of \$850m in the 12 months beginning July 1 this year. On a rather optimistic reckoning the \$1bn figure might be achieved in the financial year 1981-82 but more likely it will have to wait another 12 months.

One of the reasons for caution is that the Authority is currently engaged in what it describes as "the very delicate, complex and sensitive task" of drawing up a new schedule of dues. Apart from some relatively minor alterations, the charges to shipowners using the waterway have remained unchanged since 1975. This was a deliberate policy because it was felt more important to re-establish confidence in the Canal than seek to maximise earnings immediately.

The increased charges are likely to be applied selectively so as to ensure that the brunt is borne by ships enjoying the biggest savings by using the Canal. These savings tend to decrease as the distance a ship is travelling increases — a consideration likely to bear heavily on the new list of charges. Mr. Mashour and other officials emphasise that while they are determined to win new business, they are equally anxious not to lose existing customers.

To cope with the increased business expected during the coming years the Authority is installing a highly sophisticated American traffic management system. Instead of the present observation points situated every 10 km along the length of the Canal, the new system will provide instant continuous details of the position and speed of every ship passing through.

Five mini-computers will be located at the Authority's headquarters in Ismailia and two more at either end of the waterway. They will link with radar, loran and voice communications to provide a comprehensive electronic network complete with a data bank that will store details of vessels using the Canal.

It is indicative of the determination with which the Authority has approached this development that it has managed to persuade the U.S. Agency for International Development to provide the capital equipment under its commodity aid programme for Egypt. This, in the words of one Egyptian official, was to avoid the bureaucratic delays and "endless feasibility studies" that accompany non-commodity aid. "We knew just what we wanted and we were determined to get it as fast as possible," said the official.

But the most potent long-term force for the increased attractiveness of the Canal today is the political safety factor. The peace treaty with Israel has for the foreseeable future removed the main blight suffered by the Canal for the past four decades and ensured that development and investment can be undertaken with reasonable confidence.

Even the imposition of the Arab boycott on Egypt has not affected the confidence of Mr. Mashour. "So far there has not been any noticeable decrease in Arab shipping using the Canal," he said, "and even if there were I would not worry, because I would be getting their cargoes, one way or another."

Roger Matthews

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THE MARKETING SCENE

Batchelors speeds its marketing pace

FOR YEARS Batchelors was the quiet one among the Unilever consumer goods companies.

Bird's Eye was noisily developing the vast potential in frozen foods; Lever Bros. had its titanic struggle with Procter and Gamble; Walls was riding the two volatile horses of ice-cream and meat products.

If Batchelors was known for anything it was for its canned peas, not the kind of product to set the marketing pulse throbbing.

All that is changing rapidly. In fact, Unilever has always used Batchelors as its basic grocery line staking horse, the creator of products with a longer shelf life than Birds' Eye or Walls. So, the technological breakthrough of Vesta came from Batchelors and while the standard line, the canned vegetables, still sold well, producing very high turnover—over a quarter of total

sales—and negligible profits, the hunt was on for successors. Vesta, using Unilever's own R and D in the UK, but also keeping an eye on overseas developments.

The arrival of David Bullock as marketing director has quickened the pace in the past year. Batchelor is now marketing mad, as indicated in the budget, up by over a fifth to £8m, split half into advertising, and half into promotions.

It was from overseas, from the U.S., that the Cup a Soup idea was imported. The American approach, of placing the product as a beverage rather than as a table soup, has worked excellently, supported by the U.S. advertising concept, and a £1.5m budget.

Putting it in a jar pushed beyond the convenience ideal, and it is now turning over £1m a year and fits neatly into the new Batchelor's philosophy—developing brands which suit

the modern life style. "Life style" is a slogan which has caught the marketing imagination in recent years but has proved an elusive profit maker.

It centres on the need for meals that can be produced quickly but which have the attraction of showing some culinary skill, which are hot, and warming, but outside of the increasingly rare set family meal occasions. As Bullock says "convenience is becoming infra dig. Now women like to cook as an art form rather than as a chore."

Batchelors success with Cup a Soup, where it has seen off the competition to grab brand leadership and 40 per cent of sales, has encouraged Batchelors to put time and money behind similar life style products.

This is partly because of the broader, sociological changes in eating habits, and partly because heavy advertising does seem able to confirm brands, and to keep at bay the competition of retailer "own label" lines, sold on price.

The re-launch of packaged soups last autumn has helped prevent this market slipping into the commodity net. A marketing approach which really does improve quality, even at the expense of a higher price and also has the courage to promote the higher standard brand, at a time of faltering consumer spending, is unglamorous and predictable but works.

Batchelors has followed a similar line with its Quick Custard, winner of a Super-Marketing best new product award in 1979, as well as lesser brands, such as pie fillings.

Perhaps the most interesting innovation from Batchelors is Snacks. Here the idea of a noodle-based container, which becomes a hot snack with addition of water, originated in Japan. However, technological developments in the UK have enabled the line to spread rapidly out of its London test to national distribution by July and projected first year sales of £10m.

Golden Wonder and Knorr are also in the market for instant hot snacks which have an immediate sales potential estimated at £50m a year. This is a life style product par excellence, giving a hint of cooking skill but adapted for anytime meals. The switch away from school lunches and the placing of the burden on parents has undoubtedly helped sales.

Batchelors is not getting out of canned vegetables. Indeed it is investing £11m in a new cannery at Worsop to streamline production, along with speciality lines in canned beans. It still serves the Lincolnshire market in the north for dried peas.

New product development, tested through the research bureau, are being pursued even though consumer demand has slackened noticeably in recent weeks.

Batchelors may be the quietest of the Unilever subsidiaries but, with sales topping £100m a year and a new product commitment in areas with greater sales potential than most other Unilever companies can manage, it is hardly the least significant.

How much cash for breakfast television?

HOW MUCH advertising revenue potential is there in breakfast television—a phenomenon which seems to have become an accepted fact even though the IBA is far from committed to the idea?

Estimates from the hopeful rivals for the contract range through less than £10m in upwards of £20m a year. Young & Rubicam takes the more conservative view.

It analyses the situation as follows: Although the possible contract for broadcasting between 6 am and 9.15 am, seven days a week, the IBA does not expect broadcasting to begin before 7 am, at least not in the early stages. If the current advertising limit of six minutes an hour is maintained this leaves a potential selling time of 94.5 minutes a week.

At the moment daytime television in the UK attracts an all-year-round rating of 11 with its mix of films, serials and magazine material, but it is unlikely that breakfast will attract an audience of this size.

For a start the majority of television sets in the UK are not sited close to early morning domestic activity.

Then, only 15 per cent of homes have a second set of which just 2 per cent offer colour. It is not known how many of these are portable but only 15 per cent of all television sets are portable.

Apart from problems with the number of television sets and their location in the home there are the difficulties in wooing viewers away from the well entrenched alternative media such as radio and newspapers. Later rising on Saturday and Sunday will pose programming problems on these days. All in all Young and Rubicam expects an average rating no higher than half that of daytime, around 5, at least in the first 18 months.

It also does not believe that breakfast can set the same revenue from its advertising minutes. Although the maximum cost of a network daytime 30 second spot is £3,949, the average annual selling price is over £2,000.

If breakfast sets half the rating of daytime then realistically the price should be about half—£1,000 for 30 seconds, or £2,000 a minute. So the 94.5 advertising minutes a week, at £2,000 a minute, brings an annual revenue of £9,828,000 a year at current prices.

This is at the lower end of the revenue estimates of this agency, but Young and Rubicam would reduce it even more. They point out:

● That a networked channel cuts off potential revenue from regional or semi-national advertisers;

● Not all the minutes, especially early mornings at weekends, will command a £2,000 price;

● Advertisers may be reluctant to invest in breakfast television until they know who watches and for how long and with what level of attention. So Young and Rubicam cuts back advertising revenue for the first 18 months to nearer £6m-£7m at 1980 prices, with a potential of £12m-£14m at today's prices if the successful contractor can build up audiences to the current daytime level.

It is a convincing case, although forecasts of the last major new advertising medium to hit the UK, local commercial radio, also erred on the low side when estimating the revenue potential. A great deal depends on the programming skills of the successful applicant—if there is one.

Job switch for Mottershead

DEREK MOTTERSHEAD, head of marketing at Pretty Polly, is moving to the most contrary job imaginable, European Marketing Director of Lee Apparel, a subsidiary of the U.S. Vanity Fair Corporation.

At Pretty Polly Mottershead was involved in the award winning "Jeans are on their last legs" campaign created by Collett Dickinson Pearce.

● BRIAN WALDRON, previously executive chairman of Doyle Dane Bernbach, has been joined by three members of his former agency in a new venture. John Allen, client services director, and the creative team of Bill Thompson and Sue Henry have got together to form Waldron, Allen, Henry and Thompson. They are operating from 4, Lyall Street, SW1 and are already working on development projects for two leading packaged goods companies.

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EFFECTS OF THE TOBACCO CONTROVERSY

The freedom to advertise

THE PROTRACTED negotiations between the Department of Health and the tobacco industry over the future of tobacco advertising restraints have stimulated concern in the advertising business that a variety of other product groups may in future suffer the same sort of pressure currently being experienced by the tobacco manufacturers.

Much of the concern stems from an apparently widespread belief in the domino theory—that if tobacco "falls," areas such as alcohol will come under increased pressure—and owes little to detailed knowledge of the various arguments advanced in other product areas where advertising is sometimes criticised.

A rational appraisal of the possibilities must start from a recognition that a threat does indeed exist to the freedom to advertise. In a variety of areas in addition to tobacco—most notably alcoholic drink, proprietary medicines and in the general area of advertising to children.

The most obvious indication of this threat is the simple fact that government-imposed or inspired controls over what can be advertised, and in what manner, have grown progressively tighter in most industrialised countries over the past 20 years.

In addition to general governmental and pressure group activity, the advertising business now also faces the threat posed by the growing interest being taken in advertising by a variety of transnational organisations such as the Council of Europe, the Organisation for Economic Co-operation and Development, the World Health Organisation and of course the EEC Commission.

However, recognition that a threat exists does not necessarily imply that more controls are inevitable, and indeed careful consideration of the various arguments and supporting evidence clearly indicates that further controls are very difficult to justify in the "problem areas" on any rational grounds.

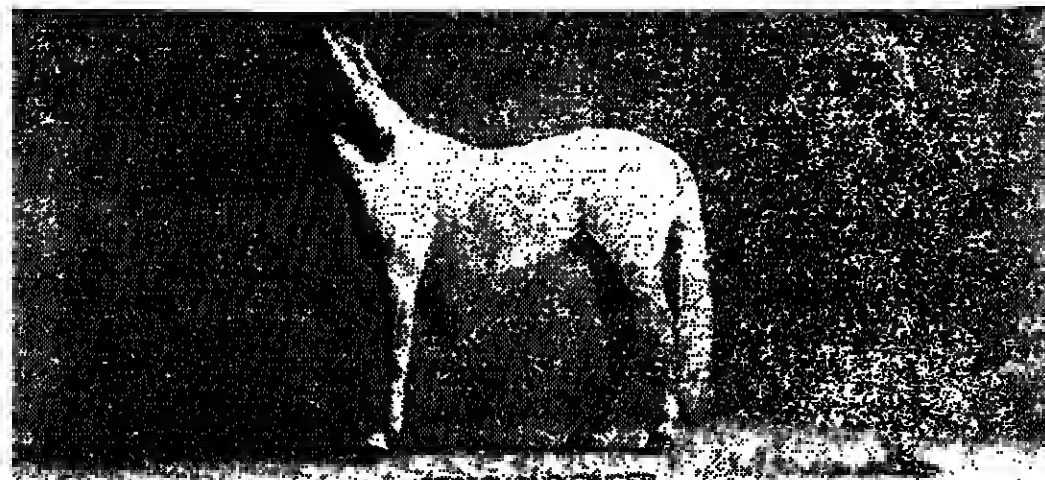
The basic argument, common to most of the product areas under criticism (alcoholic drink, medicines, etc.), is that advertising stimulates total per capita consumption and that increasing per capita consumption necessarily leads to more abuse of these products. It should be noted that (unlike tobacco), few people object to the moderate consumption of the so-called "threatened products," only to the abuse or excessive consumption of these products (leading, for example, in the case of alcohol, to alcoholism, car crashes, accidents at home and at work etc).

Such arguments when examined in detail can be found to contain numerous flaws. Firstly, it simply cannot be assumed that advertising necessarily stimulates total consumption of a long established product field such as alcoholic drink. It is quite possible that advertising does stimulate the total market but every shred of research evidence suggests it does not. For example, evidence from econometric studies suggests that advertising operates only at the brand level in the drinks market. Evidence from actual bans on the advertising of drink in British Columbia and Norway does not suggest that banning advertising leads to reduced consumption; and evidence from Eastern Europe—where some of the worst problems regarding alcohol abuse are found (and where advertising is usually non-existent)—certainly does not suggest any link between advertising and total consumption.

Faced with these arguments the uninformed critic often asks: "If advertising does not result in stimulating total consumption then surely it is wasteful?" The fact is that advertising works differently in different types of market. We know it works at the brand level, and we know that in new or rapidly changing markets total consumption is affected.

We also know that in some markets, such as petrol, the influence of advertising is clearly limited to influencing brand shares alone. However, "limited" is perhaps the wrong word to use in this context since competition for brand share is not an irrelevancy, but something that is vital to the success of our economy. Sir Alex Jarratt summed up this importance recently when he said: "The Russians have good athletes because they compete and awful cars and fashion because they don't."

The second half of the critics' argument, the "more product/more abuse" link is, I



White Horse—an endangered species?

any event, even more debatable than the first half of the argument just discussed. The evidence for such assertions is usually derived from cross country comparisons of incomplete and often totally incompatible data. To quote Martin Plant, one of the most widely-respected researchers in the alcohol field (of the Alcohol Research Group, at the Royal Edinburgh Hospital):

"It is not known how many 'problem drinkers' or 'alcoholics' there are in any society, or even what quantities people drink. This sad situation exists because our means of collecting information are all very limited and partial. Most of them are enormously biased and leave a great deal to be desired."

Given this data problem, the conclusions drawn from analysis must remain highly suspect on the "evidence in, garbage out" principle.

On the other hand, a considerable body of good research evidence indicates that alcohol, medicine and drug abuse generally, and alcoholism in particular, are associated with genetic, cultural and psychological factors. For example, an Irishman, with a family history of alcoholism, coming from a broken home, in the process of losing his job, will probably (but not necessarily) drink a great deal more than a happily married, securely employed Jew with no family history of alcoholism.

Having rejected on very fundamental grounds the main theme of most non-tobacco product advertising criticism (although I mention completely the most fundamental of arguments—that if it is legal to manufacture and sell a product, why should it be illegal to advertise it?) it is worth also mentioning the very positive aspects of advertising which are so often forgotten.

The case of proprietary medicines illustrates most vividly

the very considerable changes which might come about if advertising was banned.

In any 4-week period, 9 out of 10 adults feel unwell at least once. More than 80 per cent of all episodes of ill health are minor conditions not considered serious enough to merit medical attention. Very frequently the symptoms of coughs, colds, upset stomachs, headaches, etc., are treated with home medicines, and studies show that in the overwhelming majority of cases the home medicine chosen was relevant to the condition and used successfully.

People clearly gain experience of the use of home medicines from a variety of sources, of which advertising is only one. However, it would need only a very small proportion of "home mediators" to switch to visiting their G.P., to utterly clog up the current system. Such a switch would be very likely if advertising was banned.

Advertising to children is the other main area of criticism. Critics usually complain that advertisers exploit children's vulnerability and lack of experience and/or that advertisers create artificial needs among children, which parents are reluctant to gratify, so leading to the creation of tension within the family.

A full discussion of the various arguments involved, and the masses of research evidence which has built up, would fill several large books, let alone a brief article, but it is relevant to note that evidence is accumulating internationally which suggests that the critics of advertising to children have overstated their case to a considerable extent. Research experience with UK children shows that they are aware of the purpose of advertising at a very young age, and that they apply their own quite specific criteria when evaluating advertisements.

By Mike Waterson head of the Advertising Association.

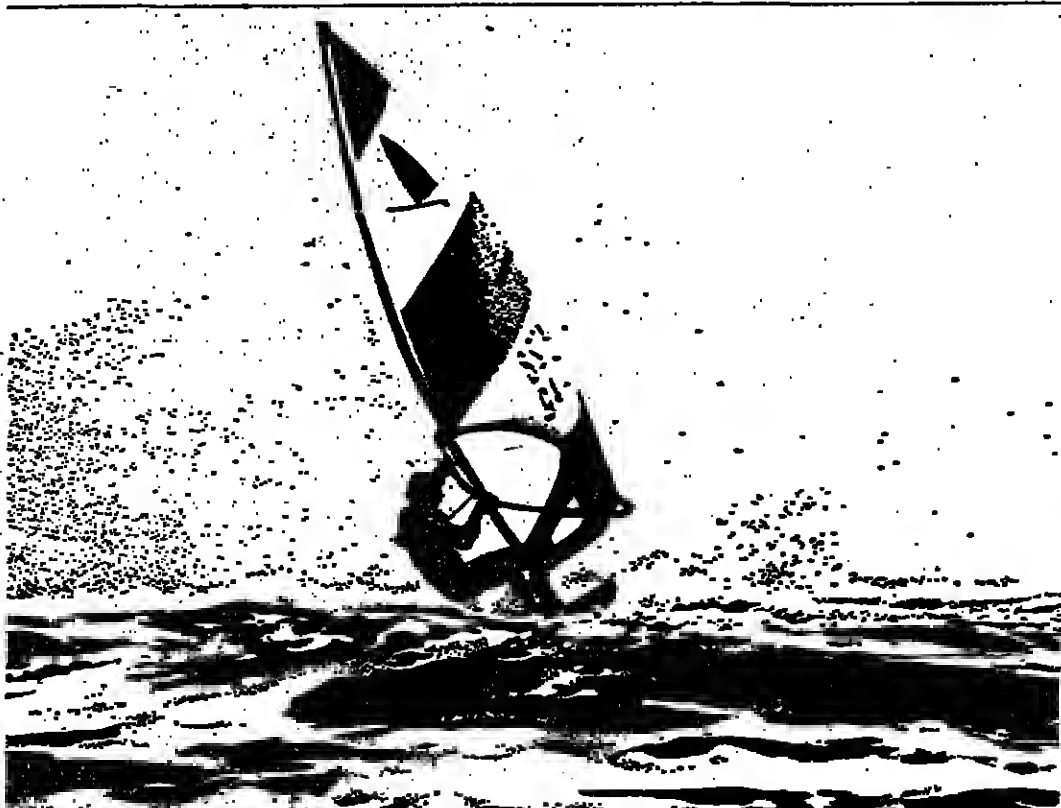
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THE ARTS

Bath Festival

by DAVID MURRAY

At the beginning of the week the Festival offered a plain, unadorned choice: the folk made a plain choice: they trooped to the Classics, and before new music they retreated in craven hordes. The English Chamber Orchestra, Wind Players, filled the Assembly Rooms for Mozart, and indeed with Mozart—their sumptuous performance of the great B-flat Serenade, K. 361 (now suspected of being a later work than K. 361, as it is coming a long way to hear. If the Assembly Rooms have not sounded a happy venue for voice or piano, the wind band found itself sonorously at home there.

Discreetly led by Neil Black's oboe, the ECO players revelled in the richness and subtlety of Mozart's ensemble writing. Never mind that the Adagio might have been lovelier still if taken adagio, rather than andante (an 18th century adagio goes at a comfortable walking pace, an adagio precisely doesn't); the mingled quartets—one of double reeds, another of single reeds (clarinets and basses), with their own melting Trio in the first Menuetto, and a backing quartet of horns, besides a bass—were superbly balanced. The balance of the 43rd Quintet was skewed by Clifford Benson's piano, interesting but disconcertingly aggressive, and prone to bold embellishments of which not all rang true.

With Haydn and Schubert the Philadelphians Quartet duly filled the Guildhall, too. Their leader wields an attractively light bow, but seems to lose no authority thereby; their late Haydn was perceptive and sprightly, their Schubert "Death and the Maiden" slightly softened. There is no more a household name than that of Ursula Oppens—but all the new music came in her two recitals, and not even her inclusion in each could procure her more than a token audience in either hall (and consisting in good part of metropolitan visitors). For the world premiere of Elliott Carter's *Night Fantasies*, his first solo piano work since the Sonata of 1945-46, that was doubly a pity: the Festival's artistic director, Sir William

Glock, has long been a loyal advocate of Carter's music, and Miss Oppens is one of the four distinguished pianists who commissioned the new piece.

Some 22 minutes long, it distantly recalls not only Schumann's romantic piano cycles, but also Scriabin's late one-movement sonatas. It rotates several different musics, so to say, each invoking one of the four pianists, contrasted by rhythmic patterns and favoured intervals. The piano writing is brilliantly imaginative, though each of its elements has a lean silhouette; great excitement is generated as they come to proceed simultaneously on different levels, through cross-rhythmic tensions and rhetorical conflicts. All that was kept sensationally lucid by Miss Oppens, commanding a range of piano-colour that her Beethoven had barely suggested. She left no doubt about the grand expressive dimensions of the work, which will surely reward varied explorations by different pianists, like the Chopin Fantasy or a Ballade—I had a night fantasy about consecutive performances of it by the four dedicatees.

In her second recital Miss Oppens introduced the intensely neo-romantic Four Pieces written for her by Frederic Rzewski, whose music is currently much esteemed in America. Shades of Villa-Lobos! Again the romantic panoply of piano-effects is brandished sweepingly, and with expansive exuberance. A sweetly innocent tune runs through all the pieces, threatened by magnificent rumblings in the first. The second would be a *moto perpetuo*, bands often in flying union, echoing Cinisari's Sonata, were it not broken by dry croaks; the third develops plangent untimeliness through which Schubert's "Gretchen" seems to float, and the fourth, a trip-hammer toccata, avokes Liszt's "Mephisto" Waltz. They are colossal pianistic, and Miss Oppens delivered them ringingly. By comparison the vast First Sonata of the late composer 70 years ago but still new, expounded with magnificent fair in Miss Oppens' first recital, seemed almost terse. Certainly its diction remains, like Carter's, sharply, authentically fresh.

Elizabeth Hall

The Rio Grande

by ANDREW CLEMENTS

In the middle of what was otherwise an entirely blameless programme of mainstream English music, on Tuesday evening Roy Wales and the London Concert Orchestra chose to include Samuel Barber's Adagio for strings. A curious choice, made curiously because its simple effectiveness tended to point up the weakness of much of the music surrounding it, as a result only Constant Lambert's irrepressible *Rio Grande* made anything of an impression.

It's difficult to believe that Lambert wrote the work when only 17. Then Sibyllus had yet to appear to him as the saviour of contemporary music, and his deceptively simple assumption of popular song and jazz was rather more profound than effortful pastiche. Difficult also to believe that Lambert would never write anything to approach its originality: few works by 20th century English composers can more truthfully be described as *new*. It was unfortunate that Mr. Wales

and his players (the pianist was Christopher Wood), did not make more of the jazz inflections, though the London Choral sang enthusiastically and Gwyneth Lloyd made that quite unexpected solo contralto ending a moment of welcoming repose.

Miss Lloyd's contribution to Vaughan Williams's *Serenade to Music* was also its most notable feature; the version used was that for five soloists and chorus, instead of the original 16 solo voices, and stronger, more confidently characterised singing all round would have secured more atmosphere, a greater sense of magic. The London Concert Orchestra's playing did not inspire the greatest confidence; in Elgar's *Serenade* the strings need far greater refinement to bring off the kind of seraphic intensity that Mr. Wales seemed to be aiming for, and moments of uneasy co-ordination throughout the evening often took the edge off quite carefully managed effects.



Renato Capecchi as Falstaff at Glyndebourne

Glyndebourne

Falstaff

by RONALD CRICHTON

Falstaff, a masterpiece in many respects designed by nature for Glyndebourne, is back in a revival sponsored by the Peter Stuyvesant Foundation. Jean-Pierre Ponnelle's production has been rehearsed by Julian Rope. Time and Mr. Hope between them have smoothed out some of the noisy knockabout and the ramming home of visual points—no doubt a glorious evening with the real Sussex outside shaming the toy Warwickshire on stage helped too.

Miss Lloyd no longer bangs the chimes of midnight on her gong—they have been restored, with the magical effect formerly conspicuously absent, to the orchestra. The love-making of Nannetta and Fenton amid the weekly wash seems less fussed-up than before, though it would make better sense to forgo the silhouettes and place the couple between audience and the linen, hidden from the inquisitive wives. The presence at the Garter Inn of Falstaff's suit of armour still, one suspects, causes more perplexity than understanding, likewise the appearance during the nonet of a non-singing

character, presumably Meg Page's silent husband.

In one respect *Falstaff* is not ideally for Glyndebourne—the matter of orchestral balance. Andrew Davis conducted a performance keenly enjoyable except that the LPO wind band it all the way, the strings falling right into the gaps, and the ramming home of visual points—no doubt a glorious evening with the real Sussex outside shaming the toy Warwickshire on stage helped too.

The stage is properly dominated by Renato Capecchi, in the title-role, a knobby grotesque with wit, humour and tattered good-heartedness instantly piercing the bulk of befuddled, spoiled flesh. Mr. Capecchi's best singing days are gone by, but he can do wonderful and not far-fetched things with familiar lines. His timing

in the finale of the knight's gradual ascent from humiliation to dominance is masterly. The emergence of the sodden Falstaff from the Thames, clambering up the river banks outside the inn, which so much, pained colleagues preceded on Tuesday a ripe portrayal of the swift return, sack assisting, of absurd unpopularity.

There are two newcomers to Glyndebourne. Alberto Rinaldi's Ford is a thin-tipped despot, using his voice to the limits, matching the abrasive orchestra. The Nannetta, Lucia Aliberti, confirms the great promise shown at Wexford last season in *Crispino e la comare*—the intrusion of a hopping elf in her forest solo is a detail one still hopes to see removed. The merry wives are Teresa Cahill (Alice) and Claire Powell (Meg), both warm-voiced, neither singing with quite the freedom or fullness they will surely show later. Max-René Cossetti's Fenton is vocally as fresh and charming, and more secure than before. Among the remain familiar, there is an unusually positive Caius from John Fryatt.

Sadler's Wells

Darpana

by CLEMENT CRISP

Darpana is the South Indian dance company stemming from the academy directed by Mirinalini Sarabhai. Sarabhai, a magnificent stylist, we remember from previous visits to London, and I record with gratitude that her stage presence is no whit less powerful than it was when we first saw her. Her company is now headed by her daughter, Malika Sarabhai, a lively artist in the Bharata Natyam style; the programme which I saw on Tuesday night—one of two during this fortnight's season at the Wells—comprised scenes arranged by Mme Sarabhai, and a final *Dance of Shiva* which evokes the Divine Dancer's presence when his worshippers perform in his name.

This last is conventionally the matter of Indian dance recitals. The two other pieces, while still exploring the religious world of

Indian dance, are more obviously narrative. In a sequence which treats of the milk-maid Radha's desire for the presence of Krishna, Malika Sarabhai proved a vivid interpreter of feelings of grief and final joy in reunion with the god.

In this, as in the following puppet drama—the members of *Darpana* are expert manipulators of the beautiful leather puppets once used in shadow plays—understanding was much helped by the spoken explanations provided by Mme Sarabhai. But the best exposition came with her appearance in the final *Dance of Shiva*. Her grand manner, strong in outline as in emotion, was a magisterial display of Bharata natyam, its vivid gestures and quickly shifting rhythms, and its ancient and ever-potent religious attitudes.

Giles Cooper play awards

The winners of the second Giles Cooper Awards for the best BBC radio plays of 1979, were announced yesterday, at a ceremony at Broadcasting House, London.

The awards, jointly sponsored by the BBC and the publisher Eyre Methuen, are named after one of the outstanding radio playwrights of the post-war years, and go to: Shirley Gee for *Typhoon Mary* (the Monday Play, Radio 4), directed by David Spenser; Carey Harrison for *I Never Killed my German* (Radio 3), directed by Shaun MacLoughlin; Barrie Keeffe for *Heaven Sent* (Radio 4s Just Before Midnight series), directed by Ronald Mason; John Kirkmorris for *Cocoon* (Thirty Minute Theatre, Radio 4), directed by Richard Wortley; John Peacock for *Afford In Retirement* (Saturday Night Theatre, Radio 4), directed by Jane Morgan; and Owen Wymark for *The Child* (After-

noon Theatre, Radio 4), directed by Richard Wortley.

The award-winning scripts were chosen from nearly 500 original plays broadcast in 1979 on Radio 3 and 4. One outstanding play was selected from the Monday Play, Saturday Night Theatre, Afternoon Theatre, Thirty Minute Theatre, the Just Before Midnight series and Radio 3's drama output.

The winning authors each receive a commemorative scroll from the BBC, a copy of the anthology co-published by Eyre Methuen and BBC publications in which the award-winning plays appear, and an advance on royalties from the publisher.

Giles Cooper, after whom the awards are named, devoted most of his writing life to the development of the radio play. His work has been a major factor in establishing the range and import of the radio play as an art form.

£1 banknote fetches £950

A rare, George V, Bradbury Dardanelles £1 black second issue banknote, overstamp in red, made £950 at the recent sales of Coins, Medals and Medallions held by Henry Spencer and Sons antique and fine art auctioneers, at Reford, North.

A collection of military cap badges, which came from the Sheffield area, realised £1,510. An album containing some 412 First World War franked envelopes, which had been opened and passed by various censors made £100.

Florence

Maggio musicale

by WILLIAM WEAVER

The 43rd Maggio musicale opened with a new production of Verdi's *Otello*, conducted by Riccardo Muti. The presence of Muti's name on the announcements was enough in itself to create immense anticipation—Muti, principal conductor of the Florence orchestra, is a local hero—and every performance was sold out as soon as tickets went on sale. Though in the event this was not an ideal mounting of Verdi's penultimate masterpiece, it was still an important Otello, and the excitement which vibrated throughout the Comunale was justified and understandable.

It was Muti's evening. As always, the Florence orchestra outdid itself under his direction (he has also been responsible for its thorough renovation). The chorus, too, was in superb form: aggressive when needed, but also pliable and—as in the Third Act finale—sensitive, nuanced. Occasionally (for example, in the garden scene of Act Two) the orchestral balance sounded odd, but this oddness may have been an effect of the notoriously treacherous Comunale acoustics. Muti's interpretation was unusually tender, at times reflective, never rushed; the singers' solo scenes were accompanied with unusual delicacy. Thus Iago's narration of Cassio's dream, beautifully understated, assumed an even more menacing and eerie character than usual.

Renato Bruson was the Iago, a memorable interpretation. In the opening scenes he appeared disarmingly normal, affable. Then, as the drama progressed, his true nature became very gradually more evident, without being obvious. There was none of the sneering and snarling that characterises—and caricatures—most Iagos. As Otello, Carlo Cossutta was bluff, straightforward, vigorous; here, there was little more (and the singing was on occasion insensitively), but he made a perfect foil for Bruson's Iago.

In the first act, encouraged by the ridiculous staging, Renato Scotto was affected both in her acting and in her singing (and now and then her over-calculated pianissimo did not work). But in the later scenes, and notably in the last, she seemed to forget that she is a great prima donna and became a suffering and moving human being. Her singing also improved in the course of the evening. The smaller roles were well cast, and the Cassio of Antonio Bevacqua merits special mention.

The single set was by Enrico Job. It seemed specially designed to make a proper production of *Otello* impossible; and

because of it apparently, a number of features that the libretto—and the music—call for were blithely omitted. Thus there was no joyous fire at the opening; in the Brindisi only Cassio had a glass (or rather a fish-bowl containing what looked like Himbeersaft); there was no garden in Act Two. And, most ruinously, there was no bed in the last scene, so Desdemona had to fall asleep on the floor, her head resting awkwardly on a stool. To make matters worse, the lighting was "unrealistic": the sudden explosions of illumination (when shining Venus was mentioned at the end of the love duet, the Northern Lights seemed to glow brightly at the rear of the stage), alternating with careful spotlights which created total darkness around the singers' faces.

The producer was Miklos Jancsó, the film director, here making his operatic debut. One can only hope he will return to the camera as soon as possible and stay there. Everything he did showed a complete ignorance of, and contempt for, Verdi's opera. The list of sins

of omission is exceeded only by those of commission (making the chorus sway absurdly, as if on shipboard, during not only the Brindisi but also during the garden scene with Desdemona). The performance triumphed, thanks to Muti and Verdi, but only against tremendous obstacles. In interviews Muti expressed his pleasure in working with Jancsó; one can only deduce that the conductor has no visual sense (some of his collaborations with Luca Ronconi would confirm this deduction). A serious defect.

For these performances Muti used the critical edition of the score by Albert Zedda and for the finale of Act Three he used the revised version Verdi made for Paris in 1864. This finale is more lightly scored than the familiar version (and Iago becomes more prominent). Muti's choice was in keeping with his intimate and penetrating view of the whole score. Personally I prefer the more rousing 1867 version, but I am glad to have heard Verdi's second thoughts, especially in such a thrilling musical context.

Gate Theatre, Notting Hill

Leonce & Lena

The Gate, situated above the Prince Albert pub just by Notting Hill Gate tube station, is the latest small fringe theatre devoted to the production of rarely seen classics on a postage stamp. The room is intimate, without being claustrophobic, the wallpaper and red curtains supplying an incongruous suburban touch.

Under Lou Stein's direction, the enterprise, now in its second year, has had its champions, and it is very difficult to start moaning when eight unpaid professional actors and an imaginative design team do the least known play by Georg Büchner. For a critic, this is one to collect.

allegedly the first professional performance in London since 1947. But its chopped up, scenography, satirical romanticism and curious attack on German provincialism demand an interpretative flair and size of presentation quite beyond the Gate's resources.

Stuart Fox as Leonce is dapper but precious, a little too like a tailor's dummy in his swish two-piece suit and pink tie. The Court's costumes, however, are ingenious and funny and are inhabited by two correctly outrageous performances from Oengus MacNamara and Mike Burnside.

MICHAEL COVENEY

More aid for Opera House plan

The Government is contributing another £1m towards the Royal Opera House re-building and improvements scheme. The aim is to improve the backstage facilities and then to build a new rehearsal room on land adjacent to the Opera House. The previous Government allocated £1m to the Development Appeal Fund and the appeal now totals £6m, including £1m from the GLC, but the latest cost estimates reveal that £9m is needed to finance the first and most vital phase of the development project.

The further £1m, subject to the approval of Parliament, will come from Arts Council money allocated in the year 1981-82, but the resources will be found within the existing provision of the arts budget, together with a contribution from the Environment department. The Government is very keen to encourage public and private sponsorship of the arts and the Minister, Mr. Norman St John Stevas pointed out yesterday that so far the Covent Garden appeal had drawn £5 from the private sector to every £1 from central Government.

Isveimer

26th FINANCIAL YEAR

The Meeting of the shareholders of the ISVEIMER Endowment Fund—institute for the Economic Development of Southern Italy—has approved the balance sheet for the financial year 1979 which is summarised in the following figures:

BALANCE SHEET AS AT 31st DECEMBER 1979

ASSETS		LIABILITIES	
- Available funds	151,253,972,775	- Endowment fund, reserve fund and fund covering all risks	400,720,892,155
- Sharing in by quotas to be paid for increase of endowment fund	1,656,000,000	- Debenture loans	1,654,200,312,268
- Loans and credits	2,131,735,825,415	- Advances by the Treasury, by Casmez, by medium-credit institution and BEI	344,646,527,037
- Shareholdings	4,935,140,026	- Foreign currency loans	84,812,500,000
- Security investments	143,899,504,278	- Reserve fund and sinking fund	26,957,366,835
- Other entries	232,647,825,074	- Other entries	140,670,778,292
	Lit. 2,666,128,067,558	- Net profit	12,119,570,971
			Lit. 2,666,128,067,558
- Obligations to third parties	853,322,312,735	- Obligations to third parties	853,322,312,735
- Suspense accounts	193,085,210,325	- Suspense accounts	193,085,210,325
	Lit. 3,712,535,590,618		Lit. 3,712,535,590,618

Isveimer carries out its medium-term credit activity, both at low interest and market rates, in Southern Continental Italy, by the following operations:

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- Business financing.
- Operations on medium-term credit for export of goods, services and for execution of works abroad.
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- Tourist credit for hotel trade.

At market rates

- Financing for building, modernization or enlargements of industrial plants and for stock supplies.
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Thursday June 5 1980

The Brussels Presidency

WHEN Mr. Roy Jenkins was appointed President of the Commission of the European Communities, many people hoped that he would lend the Commission a new authority and a new enthusiasm above all perhaps that as an Englishman with a considerable reputation as a politician of integrity, he could help to build bridges between the ideals of the Community and the stubborn distrust of British public opinion.

It cannot be said that these hopes have been fully justified. Mr. Jenkins' most significant achievement has been to relaunch, in the face of the derision of the sceptics, the idea of closer monetary union between the member states, and while the European Monetary System remains an imperfect construction, it has not fallen apart as its predecessors did, and it may yet prove the basis for further development in future.

Bargaining

Yet Mr. Jenkins has not restored the Commission to the central role it occupied in the early days of the Community, nor anything approaching it, and his period in office has not resulted in any lessening of the distrust of British public opinion. This is not his fault to any significant degree. The president of the Commission holds what appears to be a powerful, and at least ought to be an influential position, the continual bargaining that goes on between the member states, but it is no longer as powerful nor even as influential as it once was.

This is partly because the 23-year-old Rome Treaty no longer provides clear and mandatory guidance for the next steps in the development of the Community, partly because the original enthusiasm of the founding fathers has evaporated in the face of intensifying economic problems to which national politicians (and national civil servants) feel that they and they alone can provide the answers. If national governments are resistant to the idea of closer European integration, the Commission loses the opportunity to play the role of motor to that integration, and its President becomes Europe's Cabinet Secretary.

This may be regrettable, at

least to those who would like to think that the European Community should provide answers to problems that are old and recalcitrant, or new and transnational. But to say that a Roy Jenkins can no longer expect to carry the clout of, in their day, a Walter Hallstein or even a Sicco Mansholt, does not mean that the Commission is unimportant or its Presidency an office of no significance. On the contrary, negotiations between the member-states have become so sticky and protracted, even on the most mundane issues, that the European Commission has a vital role to play in smoothing the way at critical junctures. Paradoxically, this difficult conjuncture in the Community's development makes it more important, rather than less, that the nine governments should choose the most impressive possible figure to succeed Mr. Jenkins when he retires at the end of this year.

Several names have been mooted about as possible candidates to take over the job, including those of Mr. Gaston Thorn of Luxembourg and Mr. Filippo Maria Pandolfi of Italy, both of whom have real credentials. But perhaps the best choice would be Mr. Emilio Colombo, Foreign Minister and one-time Prime Minister of Italy and a "good European" of outstanding reputation. He played a masterly role in helping to patch up the long-running row over Britain's budget contribution to the Community, and showed skills of chairmanship and negotiation which would be of inestimable value to the presidency of the Commission.

Fascination

It may be that the fascination of Italian politics and the chance of a return to the top job in Rome would be too great to tempt a man of Colombo's standing; in the past, rather too many of the Italians on the Commission have shown a tendency to devote more of their time to Italian manoeuvrings than to their job in Brussels. But it would be a great pity if the member governments were to underestimate the degree to which they all depend on the quality of the president, even though they evince no great enthusiasm for rapid progress in integration at the moment.

One way not to face the music

IT IS NOT often that the Financial Times expresses support for militant industrial action. But it is impossible to avoid feeling sympathy for the boycott of BBC programmes which the Musicians' Union imposed this week. This unprecedented action was provoked by the BBC's decision to disband five of its eleven house orchestras by August, in order to achieve a net saving of about £500,000 a year.

Disturbing

This £3m saving compares with a total of £10m which the BBC will have to cut of its budget over the next two years, as a result of successive governments' failure to increase the Licence Fee in line with inflation. But it is not disparity between these two which justifies the widespread hostility to the BBC's action, since almost any economy, when considered in isolation, can be made to look trivial. It is certainly arguable that a more determined attack on the BBC's bureaucracy and on its traditions of overmanning could have saved many times more than the disbanding of the orchestras. But the real importance of the dispute between the BBC and the musicians is that it reflects a trend in the BBC's whole philosophy which should be disturbing to the admirers of the BBC's standards and of Britain's cultural achievements in recent decades.

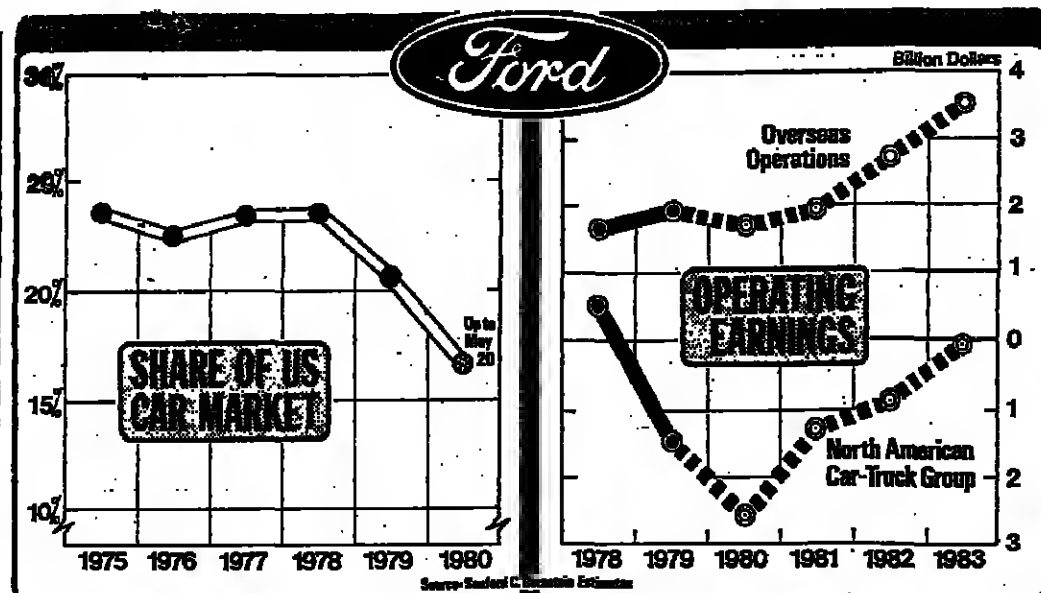
If a broadcasting system funded by a compulsory licence fee, rather than by advertising or sponsorship, is needed at all, it is only because such a system can provide the nation with forms of entertainment culture and information which commercial broadcasting is unable, or unlikely, to produce. But the BBC's priorities in searching for cuts suggest too little concern with Britain's cultural life and too great a preoccupation with competing against commercial stations in areas where the need for public funding is not at all apparent.

Thus, the largest single cut in BBC radio is to be achieved by axing the five regional orchestras, while far larger savings which could have been available from abandoning plans to expand local radio have not been attempted. Radio 3 and educational programmes have been cut back, but the popular music output on Radios 1 and 2 has emerged largely

Arts sponsorship

None of this implies that the BBC's orchestras, or indeed its other "cultural" activities, should be preserved in their present form at all costs, or that the BBC must inevitably remain overwhelmingly the most inefficient sponsor of classical music in Britain. There is a case for reducing the number of full-time musicians employed by the BBC. But this does not mean that the BBC orchestras should be disbanded: while the BBC may have too many orchestras, a glut of orchestras is certainly not something that the music-lovers of Britain's regions would complain of.

It might make sense for the BBC to reduce its role as a patron of the arts, but only if it could do so without impoverishing the cultural life of the country, and without lowering its own broadcasting standards. The growing interest in arts sponsorship among businessmen could perhaps enable the BBC gradually to transfer some of the financial burdens for arts patronage which it now bears. But this could be achieved only through long-term co-operation between the BBC and other arts sponsors, which the BBC has not done enough to foster so far. The precipitous decision to axe half its orchestras at three months' notice did not show the concern about Britain's cultural needs which is, after all, one of the main reasons for publicly funding the BBC.



Where Ford U.S. got it wrong

BY IAN HARGREAVES IN NEW YORK

"Take \$500 off an LTD Crown Victoria, \$300 off a Thunderbird and \$200 off a Pinto or Mustang. It's the broadest car buyer cash assistance programme in automotive history. See your Ford dealer today."

THAT IS how the car radio welcomes the visitor to Detroit, America's shabby, sprawling motor city, whose 15 per cent unemployment rate is more than twice the nation's average. Passing Ford's world headquarters the company's huge illuminated message board is: buy—buy now!

Inside the world headquarters there are some deeply anxious executives. The American public is not buying and when it is, it is more likely to buy from General Motors or Japan than from Ford. Ford will probably lose \$2.5bn on its North American automotive business this year. Its profitable overseas operations—where it also has problems—will not save it from a heavy overall annual loss, compared with a \$1.2bn profit last year.

There is talk of Ford being a second Chrysler. There is also talk of Ford—number



four company in the Fortune 500—running into a cash crunch in 1983 or 1984.

"It is reasonable to recognise this as a very difficult year," says Mr. Philip Caldwell, passing a characteristically emotionless verdict on his own firm as chairman of the Ford Motor company. "But when the market comes back, I think there's reason to believe that it will come back more sharply than we had originally thought."

But pressed on the analogy with Chrysler, which has escaped the bankruptcy courts only with the help of government dollars, Mr. Caldwell concedes: "If all we had was car operations in North America, maybe that would be more like the Chrysler situation." Given that Ford sells three vehicles in North America for every two it sells elsewhere, that is a very grave admission.

Ford's North American auto business is, indeed, horribly

like the Chrysler position. Immediately after the 1974 oil crisis, Ford decided Americans would want smaller cars, so it went ahead to produce two small (by American standards) models. Within six months, thanks to Government efforts to keep down the price of petrol, Americans were again clamouring for big cars and Ford kicked itself.

Two years later, Ford was looking at its 1980-84 strategy and trying to decide whether to build a new small car, perhaps along the lines of the successful European Fiesta. Henry Ford II, then chairman, said no. Instead the company went for a 1978 medium-sized car and a 1979-1980 strategy of putting rather more economical engines into restyled, but still grand-looking big cars and relying upon the old small car models to carry that side of the market.

This strategy has been an unqualified disaster. Talking to Ford executives, you hear a lot about the luck of the Japanese in having all those small cars and the luck of GM in introducing its first small front wheel drive cars just after the Iranian crisis brought the energy message home to the U.S. But the fact is that Ford got the market wrong twice as it was approaching a period when it would need to carry a \$3.5bn a year capital investment programme to meet future Government and market-dictated fuel economy requirements. Ford's share of the U.S. car market so far this year has been under 17 per cent, compared with 23.6 per cent in 1978.

Compounded by a credit squeeze and now a recession, in the U.S., Ford's problems have become serious. Mr. Caldwell has responded by cutting the capital budget by 19 per cent, tightening cost controls, dismissing more than 6,000 white collar workers and laying off almost half Ford's hourly paid North American auto workers. Two assembly plants have been shut permanently, reducing Ford's North American car and truck assembly capacity by 14 per cent. The company's directors have either bravely or foolishly held the Ford dividend, but they cannot do so for much longer.

Naturally enough, Mr. Caldwell is eager to set these difficulties in the broader context. He points to the British operation, where Ford's market share last year grew to a record 28.6 per cent, to the fact that Ford is still number three in

the non-North American market behind Peugeot and Toyota and to the non-auto operations which last year produced 20 per cent of Ford's operating profits on only 8 per cent of its sales.

But Ford will not be taking much comfort from some of these areas for a while. The diversified products division will, according to Mr. Tom Page, who runs it, struggle to break even this year, its highly profitable aerospace operations being dragged down by Ford's large steelmaking operation, now selling 80 per cent of products into a weak open market, and other businesses being tied to the motor trade.

Overseas, Ford maintained its overall market share last year, but lost ground in its second most important foreign market, West Germany, where a 1978 market share of 13.4 per cent slipped to 11.6 per cent and down to 9.5 per cent in the early part of this year. Japanese competition is again much to blame and Mr. Caldwell is strongly urging the West German Government to take action to curb Japanese imports.

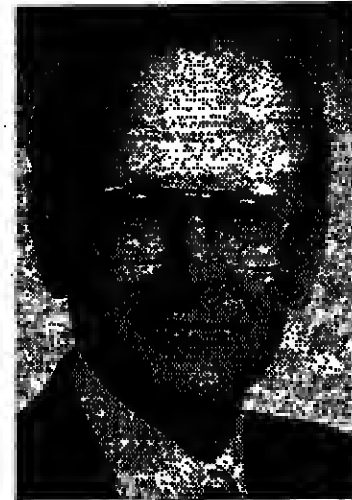
The real problem for Ford Europe is that Ford's problems at home could leave it short of spending money at a time when its competitors—GM prominent among them—are making huge investments. Mr. Caldwell maintains that Ford Europe will continue to run as a business generating on its own, but he adds ominously that he believes all capital budgets should be run "on the tight side."

It is still difficult to say how much money Ford will lose at home. For one thing, it has been coy about naming the parts of its existing operations which have become obsolete. In some cases, it is simply too early to conclude that costly plant must be thrown on to the scrap heap, but when it comes, say, to eight cylinder engines, the scrap heap gates are already



open. Ford recognises this, but is reluctant to disclose the full impact of the recognition.

The company's acclaimed Proco engine project, for example, a 27-year-old piece of development intended to bring to the market by 1984 a petrol driven engine with the no-carburettor fuel efficiency



Mr. Philip Caldwell (centre) and two of the executives he has promoted to key roles in Ford's hoped-for recovery. Mr. Donald Petersen (left), company president, and Mr. Harold Pelling, in charge of North American motor operations.

characteristics of the diesel engine, was based on an eight cylinder format. Now engineers are looking at four and six cylinder versions and the accountants are trying to decide whether a fundamentally high cost engine of the Proco type will ever be a marketable proposition in a small car.

This problem of premature obsolescence extends right through Ford's North American plans. It is virtually certain that the money spent on restyling the bigger cars for this year's launch will never be recouped. Less certain is whether the tooling costs for Ford's medium sized cars like the Fairmont (introduced in 1978) will ever be recovered.

That leaves the new small car, Ford's first "world car," which will be launched this autumn in both Europe and the U.S. under the main model name of Escort, familiar to Europe for a decade but new to Americans.

It is a nice looking car which will be available in a variety of styles from coupe to hatchback. It will be launched six



months before GM's second generation small car—the J body. In Europe it will freshen up the product line at a critical moment.

Everyone at Ford is very excited about the product, which they say for the first time represents a collaboration of the minds of the most experienced international motor engineers in the world.

There are two main worries about this project: that Ford does not have enough capacity to build it in the quantities the market might require (less than half a million in the U.S. and a similar number in Europe in the first year because of shortage of four cylinder engine and transmission capacity) and that Ford does not know how much it will be able to charge for the car.

This problem of margins is critical. Car prices in the U.S. are traditionally set by General Motors, which in spite of profit problems in the current quarter is still getting stronger in terms of market share. GM, however, is all set to effect a revolution in U.S. car pricing by suggest-

ing that car owners should pay more and not less for a small, fuel-efficient car. In the past American cars, like hamburgers, have been sold by the pound, with the result that Ford's Pinto, for example, sells at the absurdly low and almost certainly loss-making price of just over \$4,000 per unit.

GM will go for higher margins rather than more market share principally because if it drives Ford out of business or, arguably, it now possesses the power to do, it will land itself in deep trouble with anti-trust authorities, which are still in the middle of a long examination of GM's market power in the U.S.

That leaves the Japanese. They have been selling three quarters of the imports (and taking up to half the new car market in California this year) without using the price weapon at all. They are competitive, but they are not undercutting.

Ford claims that the Japanese can land a car in Detroit for \$700 to \$800 per unit less than Ford can, because of lower labour costs and a currently favourable yen-dollar exchange rate. In other words, if the Japanese choose to use even part of their pricing power against the US Escort—and the same goes to a degree for Ford West Germany—they can cripple Ford's most important model launch since the last war.

It is at this point in the discussion that Mr. Caldwell looks less than cool. "I think they understand that their long-term interests are not in overwhelming any market," he says, referring to the "other types of defence" the U.S. could be driven to. Mr. Caldwell's comments leave no doubt that he believes Japan has the production capacity and the marketing ability to gain further market share. He is also very short of answers when asked how and when Ford will be able to match the Japanese dollar for dollar in the U.S. market.

Then there is the question of the market. Detroit in general and Ford in particular have never been quite so in the dark about the motorist's public desires as they are now. Mr. Caldwell talks of the re-emergence of a market for five-seater, larger models when two-car American families have to replace their big cars. Mr. Tom Feahen, another Ford executive, thinks that as many as 75 per cent of the cars on U.S. roads can be considered

economically obsolete and that some day soon their owners are going to have to accept their value has been greatly reduced in the secondhand market and buy new, sparking perhaps an unprecedented sales boom, which would conceal most of Ford's problems in a wash of profits.

Another big unknown is the truck market, where Ford is close to being a match for GM in the U.S. Both companies were pleasantly surprised by the emergence of a vast market in the past five years for the



"fun truck," the spare vehicle used for leisure expeditions. This market has been almost totally dead this year. Upon its return, says Mr. Caldwell, depends the existence of several Ford plants.

If everything turned out on the "black side"—a long recession involving weak car sales for most of 1980 and 1981 and unchecked Japanese advance into the U.S. and West Germany—and no more fun trucks—Ford could be seriously weakened financially. Could it run into a cash crisis? Probably not, because although for the next two or even three years it would have to struggle to generate from profits any significant portion of its essential \$3.5bn a year capital programme, it would still be able to raise the \$4bn to \$5bn it would need from lenders. This would push the company's gearing to its highest level for many years, but it could be done so as long as lenders accept that the economies made by the company in the interim and its performance in the market place have not yet jeopardised its future.

These questions may be premature, but the fact that they can be made about a company as powerful as Ford is a shocking revelation of how high and strong a motor company without state aid has to be to make it in today's conditions in the U.S. market. At root, and in spite of some mistakes, both Ford's and Chrysler's problems in the U.S. have been that they are not big enough to produce the variety of model lines needed to enable them to compete with General Motors.

MEN AND MATTERS

The rebels of London, N.1

For a publicity officer, Dr. Francis Mellis keeps an extraordinary low profile, especially since his employers have just pulled off the most spectacular hang in their 68-year history. Mellis, I should explain, spreads the word for the African National Congress which claims responsibility for the explosions at Sasol's refinery and oil tankers last weekend.

He left South Africa in the '60s when the ANC was banned after the Sharpeville shootings, and now sits in the congress headquarters in London. Hard by Kings Cross Station in grubby Penton Street, his base is well camouflaged behind an unmarked lime-green shop front flanked by a grocer and a kebab house. Not a bobby in sight, no guards, no posters, no name on the door.

Only a young man who opens the door promptly, and ushers visitors inside where the cramped disorder of the homely interior makes the tensions of South Africa seem far away. Upstairs sits Mellis, barricaded

On his toes

Trades union journals, usually stuffed with tedious expositions of industrial problems and their solution, can also find space for the airing of the brothers' more intimate troubles.

Geordie engineers' organiser Bill McDonald, writing in the Foundry Worker, firmly squashes the rumour going round that he has suffered a heart attack. "I can assure you," he writes with admirable disregard for the rule of anatomy, "that I am bodily well and that the reason for my absence is an infection of the feet."

No competition

Lord Keith is a mellowed man. "I do not want to run anything any more," he told me as he prepared to leave the chairman's office of Hill Samuel. This hardly tallies with the reputation of the dominant, idiosyncratic manager developed during his 77-year spell steering Rolls Royce. But, as he noted wistfully, "I am about to be 64. I would like to do a four-day week. At Rolls it was damn near seven days with a great deal of travelling." He is not, however, preparing to fade away into retirement. And although his four days already appear fairly well filled by ordinary mortal standards, he is busily snuffing out more work. "I will consider any interesting and lucrative

notions," he said, to top up his established routines on his Norfolk farm, at the Philip Hill Investment Trust and in the House of Lords.

"There are one or two big industrial companies in the U.S. which have suggested I might do something with them." "No, not in the same fields as Rolls," he added hastily, "I would not do anything that would compete with them."

Back home

One of humanity's oldest relations, who disappeared in mysterious circumstances during the war, probably never left the place where he lived out his life some 600,000 years ago. He is Peking Man, or his skull and bones, whose vanishing act has perplexed archaeologists since 1941.

Retired U.S. businessman Christopher Janus now claims that the relics are probably still in Peking, counter to Chinese claims that they were stolen by the Americans. But Janus, who administers a foundation set up by family for preserving ancient remains, says that he has spent seven years and many thousands of dollars following clues which have led him back each time to China.

The last time Peking Man was seen was in 1941 when he was hounded up by the Kuomintang which had asked the Americans to keep him safe. Of the package there has since been no sign. Now, in an attempt to test his theory, Janus has visited Peking letting it be known among the people that they too are eligible for the \$150,000 reward he is offering for the recovery of the parcel.

Coming unstuck

Sorry to keep going on about the deficiencies of the Post Office, but the truth seems simply to be that nothing works there any more. The latest complaint to reach my desk arrives via the U.S., where a current

joke says that the British are so hard up that they cannot afford to put stamps on their letters.

As you and I know, things are not so bad. The trouble is that no matter how hard one ticks and sticks, the stamps—especially the 15p version—will simply not stay put. "Our printers," explains the P.O., "have been under extreme pressure lately and our quality checks have revealed that some stamps have reached the public with insufficient gum."

All clear

Much thanks to Sir Peter Matthews, Chairman of Vickers, for explaining the economic problems which beset us. "At a time of high inflation, exorbitant interest rates and a relatively strong currency," he writes in his annual report, salary expectations rise, but in our industry the ability to pay more has diminished through reduced margins. Paradoxically, to increase profits and obtain more orders we must attract more skilled and able people and this we cannot do if we pay less than other comparable industries.

"The only answer is to achieve higher productivity and, of necessity, this has at times resulted in redundancies."

What a way . . .

With everyone so health-conscious these days, I feel readers should be informed of the dangers of living in the City of London. I have before me the Historical Register for 1719, which includes a list of common "diseases" which carried off citizens of the Square Mile in that year. It includes Twisting of the guts (54 cases), Rising of the lights (78), lethargy (7) and Suddenly (118).

Observer

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ECONOMIC VIEWPOINT

It is much too early to cut MLR

There is a tide in the affairs of men. Which, taken at the flood, leads on to fortune. Omitted, all the voyage of their life is bound in shallows and is misery.

THE SETTLEMENT of the EEC budget problem is at the upper end of the range of thought possible for those of us who would prefer to stay in the EEC, but are prepared to take risks to reduce British burdens. Credit for it is due both to Italian diplomacy and the tenacity of the British Prime Minister.

But in deciding what to do with the new opportunity, Mrs. Thatcher faces an even more difficult test. She and her Ministers could respond to political and business pressures—and their own political instincts—by going all out for an early moderate cut in interest rates. They would thereby risk indefinite stop-go, stagnation and the likely need to raise interest rates again.

Alternatively, they could play it long, giving priority to anti-inflationary policies.

The present employment and profits recession is due to ingrained scepticism, born of experience, about whether monetary guidelines will be observed in the longer run; and hence severe pessimism about inflation prospects.

But there are some signs that this scepticism is being eroded.

If Mrs. Thatcher sits out the rise in both inflation and unemployment likely to continue in the published indicators up to the summer recess, and withstand too, the shower which we have been warned will be delivered by the "wets" at the special economic Cabinet next month, inflationary expectations may come down at a speed to astonish the present cynics.

My own feeling is that the severity of the recessionary

pains results mainly from the battle to transform inflationary psychology. Once that has been done, the output and employment cost of a fairly rapid monetary de-acceleration will be little if at all greater than from a gradual approach. On the other hand, the anti-inflationary gains from a more rapid strategy could be enormously greater. In other words, the Government might as well be hung for a sheep as for a lamb. To put this in concrete terms. If the pressure for an early reduction in MLR can be held off, the prize may be a far larger and more enduring drop in interest rates than the leaders of the CBI or the 1922 Committee can imagine in their wildest dreams.

But Mrs. Thatcher has little doubt of her own ability to withstand the political pressures. But can she withstand the

The shower which the "wets" in Cabinet will deliver next month

siren songs of the business leaders and business-influenced advisers whose advice from Munich to the present day has so often been perverse and deeply damaging to the prospects of competitive free enterprise to which they pay so much lip-service?

It is all the more important—at one of the very few partings of the way which history does provide—to avoid being deflected by side issues, one of which I should like to dispose of once and for all.

Whenever there is a slight sign of better economic understanding, someone is sure to spoil matters by saying: "It's

credit they ought to control, not money." Then someone else will whisper: "They are looking at bank lending, not money, you know." It only needs someone else to talk about "disintermediation" to make me feel like climbing up the curtains.

The time has, therefore, come to emphasise that one will not get rid of real policy questions by playing about with definitions, or even with techniques, of monetary control. One can tighten or loosen monetary policy or keep it roughly where it is. But there is no magic wand which will tighten monetary policy from an anti-inflationary point of view, while simultaneously reducing the pressure on profits and employment—other than by altering public psychology.

That will happen only when monetary targets achieve credibility in the sense of lowering the inflationary expectations of those who set wages, prices and other controls. The process is held back by myriads of public sector acts—not only Clegg, but hosts of tribunals, government awards and administrative acts whose perpetrators take advantage of their privileged position to bypass market forces altogether.

But none of these problems will be put right by juggling with monetary technicalities. The case for indexed Government securities has frequently been put forward in this column; and an administration which is serious about fighting inflation has in any case no business issuing any long-term securities at all with interest denominated in nominal terms and yields well up to 13 per cent.

These proposals are made (a) to improve the credibility of official strategy and lower inflationary expectations; (b) to

MONEY AND DEBT

Increase in sterling M3

= Increase in
Notes and coin in circulation, PLUS
UK residents' sterling deposits

= Increase in
Notes and coin in circulation, PLUS
Sterling lending to:
UK public sector
UK private sector
Overseas sector

LESS increase in:
Overseas sector sterling deposits
Foreign currency deposits net of
foreign currency assets
Non-deposit liabilities (net)

reduce the real risks in holding Government securities and (c) to improve the terms on which the Government can borrow. They do not, however, offer a mysterious way of tightening up and loosening simultaneously or change fundamentally the policy choices.

The key to wisdom is that bank credit and money are two aspects of the same thing—seen from opposite sides of the same balance sheet. The technical argument is about which items to exclude and which to include, and not between fundamentally different concepts.

The close relation between money and credit is shown in the Money and Debt table, taken from an excellent explanatory chapter in a publication with the uninviting title, CSO Financial Statistics Explanatory Handbook, 1980 edition. As the author states: "Money is created when the banking system increases its lending."

The middle items in that table consist of credit items: bank lending and notes and coin (which are a form of lending to

DCE AND "STERLING M3"

Increase in sterling M3

= (a) Public Sector Borrowing Requirement
(b) LESS purchases of public sector debt by the UK non-bank private sector

PLUS increase in sterling lending to:
(c) UK private sector
(d) Overseas sector

LESS increase in:
(e) External and foreign currency finance of the public sector
(f) Overseas sector sterling deposits
(g) Bank's foreign currency deposits liabilities net of foreign currency assets
(h) Bank's non-deposit liabilities (net)

the Government). The more important items in practice are bank lending to the private and public sectors. The lower items consist of those resulting liabilities which are excluded from the present principal official definition of money.

British banks have large foreign currency assets, largely offset by foreign currency liabilities. Any increase in net foreign currency liabilities, in practice small, is deducted from "Sterling M3". So, too, are increases in sterling deposits held overseas, a much larger kettle of fish. "Non-deposit liabilities" consist largely of capital invested by the banks, mostly re-invested profits. Lending financed in this way does not create deposits. Moreover, it is a moderate-sized and reasonably stable item.

There is one other important deduction. Domestic Credit Expansion (DCE) includes an important item not obvious from the middle of the Money and Debt table. It includes all overseas purchases of Government debt, irrespective of whether these purchases are official or private, bank or non-bank. This

arises from the use of DCE as a monitoring device by the IMF. The Fund's presumption is that increases in the money supply, avoided only by Government borrowing abroad, are deceptive—i.e. the money supply will shoot up as interest rates rocket skywards once this borrowing comes to an end.

In 1979-80 when sterling has been strong, this adjustment has been of minor importance.

As the Monetary Movements table shows, by far the most important reason why DCE was higher than the increase in Sterling M3 in the last year was the £2.8bn rise in overseas sterling deposits. This table, checked by Robert Thomas of Greenwells, is deliberately oversimplified and highlights those items which were in fact important in the year to April, 1980. (Hence the "etc.") The meaningful question has been not whether to look at money or credit—which are just two sides of the same balance-sheet—but whether to include non-resident sterling deposits.

The official view is that in-

creases in non-resident deposits are unlikely to be spent in the UK, as they are accounted for by items such as the working balances of international companies. But the 1979-80 rise was much larger than usual and much of it followed immediately on the abolition of exchange controls. Thus, it is possible that some at least of the increase represents funds which could be spent in the UK.

Moreover, it may not be a coincidence that the rise in overseas sterling deposits was more than sufficient to finance the current balance of payments deficit—i.e. the trade gap including invisibles—at a time of upward pressure on sterling. One's suspicion is that some of these balances are the unspent and unconverted proceeds of overseas exports to the UK.

Similar remarks apply to "UK residents' deposits in other currencies." These are neither in Sterling M3 nor in DCE, but are included in another aggregate—M3*, which was the policy target up to a few years ago.

Thus consideration of both categories of excluded balances suggests that the "Sterling M3" figures slightly overstate the degree of monetary stringency over the last year. But a much more important source of overstatement has been through devices to offset the "corset" through which the authorities have tried to control the money supply by direct limits on banks' eligible liabilities. The leaks do not show up in the whole system of official identities set out in the tables. They have taken forms such as shifts from overdrafts to bill finance ("the bill leak") in which banks guarantee only finance provided from the rest of the private sector.

Messel's Gilt Monitor estimates that the removal of such distortions would add £2bn or

KEY MONETARY MOVEMENTS

Change in year to April 1980*

Bank and overseas lending to public sector
ADD Bank's sterling lending to UK private sector
ADD Bank's sterling lending overseas

TOTAL, equals Domestic Credit Expansion
DEDUCT increase in non-deposit liabilities, etc.

EQUALS increase in total sterling deposits and notes and coin
DEDUCT overseas sterling deposits

EQUALS "Sterling M3"
ADD UK residents' deposits in other currencies

EQUALS "M3"
* Not seasonally adjusted.

3½ per cent to Sterling M3 after the corset ends this June. A rebound in the money supply from this source will be mainly cosmetic; demonstrating not any loosening of control, but the fact that policy in the two years from mid-1978 to mid-1980 when the corset has been operative has been less tight than it looked.

Unfortunately, cosmetic effects cannot be neglected. The Government cannot afford to lose a trick in the battle to secure credibility for its monetary strategy, because of the virulent hostility to that strategy on the right as well as on the left, in business as well as in the unions. At the very least, the cry of "cosmetic" must not be made an excuse for exceeding the upper 7 to 11 per cent limit of the monetary target over a substantial period.

Samuel Brittan

Letters to the Editor

Cigarette advertising

From A. J. McGuinness.

Sir—Ronnie Kirkwood ("A defence of cigarette advertising," May 29) raises some interesting questions, but answers them in a way that should not go unchallenged.

First, in a society where smoking is widely practised and accepted, how is advertising (of the current kind) capable of persuading people to start smoking, or to smoke more heavily? One cannot deny that, in such an environment, social pressures to smoke, or to smoke more than otherwise, would be present even if there were no advertising. But it is also the case that there would be present a certain amount of resistance to such pressures, stemming from the knowledge that smoking can seriously damage health. Advertising (particularly of the current kind) arguably reduces this resistance, and thereby increases smoking. The particular features of current advertising that seem likely to erode resistance to smoking are its references to the low tar content of many brands (reflected partly in the heavy reliance on statistical evidence relating cigarette consumption to cancer and heart disease), and its references to flavour and tobacco quality.

Recent advertising has not been beneficial to health by diverting smokers from higher-tar to lower-tar brands, but harmful to health by lowering people's resistance to the social pressures to smoke at all. An important lesson from this for the health lobby is that the appropriate instrument to control if people are not to be dissuaded from smoking less is the entire marketing strategy of tobacco firms, including the new brands they launch. Control of only one facet of marketing activity, such as total expenditure on media advertising, is likely to be ineffective if the amount or nature of other facets can be changed to compensate.

Second, is the goal of reducing smoking by the con-

trols on marketing suggested above compatible with freedom of choice? The substantive issue here is whether one feels content with the circumstances in which the individual chooses whether or not to smoke. Mr. Kirkwood appears content with a situation in which the promotional activities of tobacco firms are constrained no more than at present, and people receive the existing warning that smoking can seriously damage health. It is no compromise to a belief in freedom of choice to suggest an adjustment might be desirable to the balance of information received by individuals before they exercise that choice. For sake of argument, one might feel content only if an equal sum of money were spent on anti-smoking publicity as on the promotion of smoking. This could be achieved either by a large increase in the finance given to such bodies as the Health Education Council, or by a substantial restriction of the marketing activities of tobacco firms.

Finally, Kirkwood refers to statistical evidence relating cigarette consumption to cancer and heart disease, and to a study commissioned jointly by Imperial Tobacco and Gallaher, found no statistically significant correlation between these variables, after lengthy discussion of a study by Cowling and myself which found one. The data used by Metra, having been supplied by the tobacco industry, are not available to other interested parties, being hidden behind a smokescreen of "confidentiality." This precludes an open comparative evaluation of different studies, and thereby seriously impairs the information available to members of the Government responsible for policy in this industry.

A. J. McGuinness,
Lecturer in Economics,
Division of Economic Studies,
University of Sheffield.

than by relatively high payment for part-time function?

Second, is it not high time that all nominees for quango positions where more than reimbursement of expenses is paid, should be publicly advertised and filled by competitive interview?

Quite apart of the widely prevalent suspicion of jobs for the boys, is it not to be recommended that the public at large should have the assurance that recruitment and remuneration are likely to give best value to the taxpayer? Maybe this is another aspect of expenditure that Sir Derek Rayner should speedily examine and comment on to the Prime Minister.

F. R. Finston,
38, Abbey Gardens, NWS.

Profits v production

From Mr. M. Littlewood

Sir—Anthony Harris's article of May 29 seems, amazingly, to consider that by stirring up the rabbits a bit in the economicists' hat, all will be well with the non-oil sector of the economy.

The problems of the machine tool industry (and the industry in general) stem from decades of attempting to maximise profit in the short term at the expense of wealth-creating activities, such as design, improved manufacturing techniques, development of technical expertise, etc. Why this should be so is not difficult to understand. Most of our manufacturers are produced by publicly quoted companies which (or rather their directors) are frightened of being taken over should their profits take a tumble.

The Stock Exchange reacts very rapidly to a poor set of results without, it seems, regard to the potential of new product developments, etc. In most cases, these can only be evaluated over an extended time period. The consequence has been to abort promising technical developments in favour of a safe set of figures. This is clearly an instant passport to decline.

All this results in a demoralised engineering staff. If someone should blow the whistle and shout full steam ahead, there is insufficient expertise available to produce the hoped for results. The ability to translate ideas into practice quickly and efficiently is achieved slowly over many years of attempting different solutions to a variety of problems.

European machine tool manufacturers are not blessed with innumerable geniuses. They plod steadily onwards logically following the technical and economic requirements. This is progress. Good engineering will produce good results. Good results manufactured by accountants will produce failure.

Having institutionalised our decline by the medium of the Stock Exchange with their old friends the pension funds, insurance companies, etc. and the predominance of career accountants in the running of our businesses, how do we climb back? Perhaps Anthony Harris could help.

M. Littlewood,
"Brookside",
Ross-on-Wye, Herefordshire.

Quicker by abacus

From Mr. V. P. Emmerson

Sir—Your section devoted to electronic calculators on May

Construction in Ireland

From the Managing Director,
The Construction Industry Federation

Sir—I refer to the article (May 2) headed "Labour troubles endanger Irish alumina project." In the course of the article it was stated "In 1979 a record 1,458m days were lost in strikes. Over 80 per cent was in the public sector and in construction. That large share was accounted for by a five-month postal strike. Apart from construction, only 300 days were lost in private industry."

The facts are as follows: 1,426m man-days were lost in 1979 due to strikes, of which 1,236m or 87 per cent were public sector. Construction, therefore, was certainly not a leader. Some 192,000 man-days or 13 per cent were lost in the private sector. To suggest that all other private-sector employment lost only 300 man-days while 191,700 were lost in the construction industry is patently at variance with the facts, particularly as all other private-sector employment considerably exceeds the construction industry.

The latest available Central Statistics Office figures are for 1978 and preceding years. They are as follows:

Total man-days lost all employments construction
1978 624,256 28,504
1977 424,145 47,070
1976 776,949 33,553

As construction is the largest industry here, after agriculture, employing 77,000 people, the record is reasonably good and contrary to the position implied in the article.

Thomas Reynolds,
9, Leeson Park, Dublin 6.

Inaction on day of action

From the General Secretary,
General and Municipal Workers' Union

Sir—Thank you for your letter of May 21 in which you state that you did not attend a meeting with the Prime Minister and presumably no representative of your newspaper attended a meeting with the Prime Minister in the circumstances I described at a Press Conference on Sunday, May 18.

I fully accept your assurance that you did not attend any such meeting with the Prime Minister.

David Barnett,
Thorne House,
Rusley Ridge,
Claygate, Esher,
Surrey.

Today's Events

GENERAL
UK: Mr. David Howell, Energy Secretary, speaks on energy policies at London Europe Society lunch, London.

Sir Patrick Jenkin, Social Services Secretary, speaks at Cheltenham and Edgbaston, Birmingham.

Mr. Tom King, Housing Minister, speaks at West Midlands Area Conservative Women's annual conference, Cheltenham.

European Parliament President, Mrs. Simone Veil, receives honorary doctorate at Cambridge University.

Viscount Etienne Davignon, European Commissioner for industrial affairs, speaks at European Federation of Manage-

ment Consultants Associations' conference on job creation in the '80s—the consultants role, London.

Public inquiry opens into Italian refinery scheme at Canvey Island.

Sir Peter Gadsden, Lord Mayor of London, lunches with Institute of Chartered Shipbrokers, Baltic Exchange, dines with Vintners' Company at Vintners' Hall.

Fine Art and Antiques Fair opens, Olympia (to June 14).

Three-day South of England Agricultural Show opens, Ardingly, Sussex.

PARLIAMENTARY BUSINESS
House of Commons: Debates

on Opposition motions on the decision to charge full cost fees to overseas students and on the offence of loitering with intent under the Vagrancy Act, 1824.

House of Lords: Transport Bill, report stage.

Select Committees: Foreign Affairs, Room 8, 10.30 am. Welsh Affairs, Room 16, 4 pm. Home Affairs, Race relations and immigration sub-committee, Room 15, 4.30 pm.

OFFICIAL STATISTICS
Provisional figures of vehicle production (May). UK balance of payments (first quarter).

COMPANY MEETINGS

Amalgamated Metal Corp., Winchester House, Old Broad Street, EC, 10. Arcoelectric, Central Avenue, East Molesey, Surrey, 11. Brown Boveri Kent, Great Eastern Hotel, Liverpool Street, EC, 12. Dayles and Newman, Great Eastern Hotel, Liverpool Street, EC, 12. Lillishall, Gower Street, St. George's, Tel. ford, Shropshire, 12. Ottoman Bank, Great Eastern Hotel, Liverpool Street, EC, 12.30. Owen Owen, Clayton Square, Liverpool, 11.30. Rowan and Boden, Central Hotel, Glasgow, 10.30. Steel Bros., Souders Place, Dorking, Surrey, 11.30. Triplevest, 117 Old Broad Street, EC, 12.15. Wilkinson Warburton, Fudsey, West Yorks, 11.30.

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Skelmersdale what's in a name?

Little optimism as Comet improves to £5.6m midway

PRE-TAX profits of Comet Radio-Service, retailer of electronic goods, gas appliances, home improvement products and jewellery, improved by £11,000 to £5.6m in the half-year to March 1, 1980. The pre-tax figure was struck after deducting £288,000 for the employees' profit-sharing scheme—no deduction was made last time.

Stated earnings per 5p share are 13.6p against an adjusted 14.5p, and the interim dividend is increased by 7½ per cent as forecast to 1.3616p—last year's total was an adjusted 3.5p from pre-tax profits of £5m.

The board states that throughout the retail divisions, margins have come under pressure and costs continue to increase as a percentage of turnover. Since the start of the second half, the level of trade in the company's stores during March and April has been in excess of 1979, but the company will not match the exceptional sales made in May and June last year.

The home improvement division also increased its sales. New Timberland branches in Sheffield, Prestwick, Hull and Newcastle have already been opened, and it is planned to open further branches in the next six months.

The departmental stores, Carmichael's and McOmney, have continued to trade at break-even levels and the board does not expect them to make a significant contribution to the annual results.

The engineering and jewellery interests continue trading in a most satisfactory way despite all the difficulties which they have faced, says the board.

Although it does not view the

immediate future with great optimism, the board believes that the company will be in an excellent position to take advantage of any increase in trade as it occurs. It will continue to expand cautiously, but even more attention will be paid to both costs and liquidity.

Turnover in the first half climbed from £85.51m to £114.82m. Of this total £105.81m was generated by retail activities. Fixed assets amount to £14.02m (£12.4m at September 1, 1979) and net current assets are shown as £1.2m (£16.7m). There was a decrease in debtors from £7.61m to £5.45m. Shareholders' fund amounts to £25.62m (£20.34m) and medium-term loans account for £6.02m (same).

Lex, Back Page

Highams down to £1.41m

FOLLOWING THE downturn from £762,000 to £598,000 in the first half, pre-tax profits of Highams, Lancashire-based textile manufacturer, fell to £1.41m in the year ended March 29, 1980, compared with the record £1.81m in 1978-79.

Inflationary pressures and deteriorating market conditions referred to last December, accelerated in the second half, resulting in the lower profit which nevertheless is the second highest the group has achieved.

the directors say. Liquidity improved by £370,000 over the year. Stated earnings per share are 11.05p against 14.35p, but the final dividend is 2.77p, lifting the year's total from 3.45p to 3.85p.

Turnover amounted to £25.7m compared with £27.33m. Profits are after interest of £275,298 (£158,390)—tax charge is £747,373 against £942,718.

Highams is one of Europe's largest makers of sheets, pillowcases and blankets. Subsidiaries are engaged in the manufacture of menswear and children's wear.

Liquidation for Royal Stafford

Royal Stafford China, whose business was founded in 1848, is to go into voluntary liquidation and it is proposed that Mr. G. A. Weiss of W. H. Cork, Gully and Company should be appointed as Liquidator.

Ceramics in the UK has traditionally been a cyclical industry and is currently suffering its worst recession as a result of increased costs, high interest rates and a strong pound, in the face of growing competition from overseas manufacturers and a general decline in demand.

In March this year, the directors gave notice that they intended to reduce overheads by combining the company's manufacturing operations with its parent's other factory at Stoke-on-Trent. Maddock, which acquired the Royal Stafford China business in 1978, has provided it with loans of more than £300,000. Management accounts at the end of May show an excess of assets over liabilities of more than £300,000, excluding inter-group loans. But, with the continuing adverse business climate at Stoke-on-Trent, the company is unable to raise further capital required to maintain trading.

A review of the group is being undertaken following which a further statement will be made.

SOVEREIGN OIL

Approval has been granted under the provisions of rule 163 (3) for transactions in Sovereign Oil and Gas, formerly Siebens Oil and Gas UK, to take place without the need to seek the prior permission of the Stock Exchange Council.

HIGHLIGHTS

In the U.S. there is a very large volume of new bond issues now that interest rates have fallen. Lex looks at the reasons for this activity and considers the possible implications for the UK market. Comet Radio-Service has only just managed to push pre-tax profits ahead at the interim stage and is having difficulty keeping its stock-turn up to scratch. Consortium bank MAIBL has given up the privileges of exemptions under the companies act and has gone for a more fully disclosed position. Elsewhere, annual reports in yesterday's postbag included those of British Home Stores and Tootal, the latter gets a ticking-off from its auditors, and there are full-year results from Armitage Shanks, where Blue Circle's bid is on ice awaiting the result of a monopolies reference.

McCorquodale moves up £0.31m halfway

TURNOVER OF specialist print-in group McCorquodale and Company increased by £8.27m to £40.12m and pre-tax profits moved ahead from £2.35m to £2.65m in the half year to March 31, 1980.

Further improvements were achieved by the group's North American companies, while in the UK profits were maintained despite rising cost pressures and increased competition in virtually all sections of the business.

Since the end of the period, however, the UK companies have suffered a setback in April and May from the recent NGA dispute. This has now been settled, but the Board says it is too early to predict the long-term effect of the cost of the consequent settlements and their impact on the full year's results.

Associates' contributions again increased and accounted for £2.29m (£2.11m) and £992,000 (£452,000) of turnover and pre-tax profits respectively.

Interest charges rose from £452,000 to £558,000. Tax was down to £644,000 (£737,000) and after extraordinary items, equity earnings improved from £1.59m to £1.88m.

Earnings per 50p share are shown marginally higher at 12.87p (12.54p) and the interim dividend is maintained at 2.04p net—last time the total was 7.51p on a record £4.56m taxable profits.

Extraordinary debits of £171,000 (£53,000) mainly comprise unrealised exchange loss arising from revaluing the group's overseas net assets and foreign currency liabilities at exchange rates ruling at March 31, 1980.

However, the depressed state of agriculture hindered the group's efforts to develop the agricultural merchandising side of its business.

The interim dividend is stepped up from 1p to 1.25p net per 25p share—the previous total was 3.5p.

External sales for the half year rose from £16.6m to £17.64m. Tax charge was £53,000 (nil), representing ACT on last year's final, and net profits moved up £32,000 to £507,000. The interim dividend absorbs £62,500.

Maurice James

Yesterday's EGM of Maurice James Industries in Coventry was adjourned because not enough preference shareholders voted in favour of the proposed partial redistribution of the capital.

The industrial holding group planned to reduce the nominal value of the ordinary shares from 20p to 10p, and to distribute 10p to shareholders.

Preference shareholders were being offered 35p cash per share in return for the cancellation of their shares, which confer the right to repayment of capital in priority to the ordinary shares. It was this offer which did not receive enough votes yesterday.

£500,000, allowing for work deferred rather than lost. But the dispute has opened another window into UK business for the highly competitive Far Eastern printing industry. The US subsidiaries are at least out of the red and domestic security printing is buoyant, though less so for McCorquodale's cheques than for De La Rue's bank note operations.

Book production had a better-than-expected first half, but with indications of a duller second half. Engineering contributed around £30,000 for the half, bettering last year's strike-induced loss, but remains an area of relatively low return on capital.

The full-year outlook looks likely to maintain or marginally better last year's profits. The historic (and potentially prospective) fully-taxed 3p stands at 7.1. The shares slipped 3p yesterday to 100p, but both the yield of 11 per cent and net worth of 165p per share would seem to offer some support.

Slowdown expected by Carr's

ALTHOUGH PRE-TAX profits of Carr's Milling Industries show a decrease from £475,000 to £560,000 for the 26 weeks to March 1, 1980, the directors warn that the current high interest rates, together with the seasonal decline in demand for animal feedstuffs will mean that this level of profitability will not be maintained in the second half.

For the 52 weeks ended September 1, 1979, this flour milling, animal feeding stuff making and bakery concerned a pre-tax profit of £599,000.

Investment on modernisation last year assisted flour milling to make an increased profit contribution in the period under review, while the results from the animal feeding stuffs and bakery interests were satisfactory.

However, the depressed state of agriculture hindered the group's efforts to develop the agricultural merchandising side of its business.

The interim dividend is stepped up from 1p to 1.25p net per 25p share—the previous total was 3.5p.

External sales for the half year rose from £16.6m to £17.64m. Tax charge was £53,000 (nil), representing ACT on last year's final, and net profits moved up £32,000 to £507,000. The interim dividend absorbs £62,500.

SALES

June 4
Ganco Oilco 210
Ganco Central 228
Ganco Exterior 210
Ganco Hispania 208
Ganco Ind. Co. 122
Ganco Madrid 141
Ganco Santander 257
Ganco Uruguay 150
Ganco Vizcaya 219
Ganco Zaragoza 200
Ganco Zoro 80
Espartero Zinc 81
Focsa 69
Gel. Prácticos 28.2
Hidro 67.2
Hidrosur 62.5
Petrobras 106.2
Petrofibra 63
Safeside 95
Telefonos 63.7
Unilever Elect. -0.3

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ANSAMATIC

Tootal problems continue: auditors qualify accounts

THE DRAMATIC deterioration in trading conditions at Tootal in the final quarter of 1979 continued through January and is still influencing the group's performance, Mr. R. F. Audsley, chairman, says in his annual review.

Profits before tax in the year to January 31, 1980, fell from £21.1m to £14.64m and to £802,000 on a CCA basis. The attributable CCA loss is £16.72m against an historical profit of £8.54m.

Coopers and Lybrand, the group's auditors have also qualified the accounts regarding the treatment of trading losses of two subsidiaries sold during the year as well as the profit on the sale of the head office premises.

Mr. Audsley points out that loss making operations are being eliminated and capital is being committed to modernising the group's spinning and printing operations.

This work is to continue in the current year and the group expects to be in a position to take full advantage of improvements in trading conditions which are expected later this year, the chairman adds.

CCA trading losses of businesses and factories which are being closed amounted to about £5m last year and there is a larger recovery potential from remedial action being taken in continuing businesses.

This is backed by the performance of the stronger parts of the

group last year. Half of the group's profit centres earned CCA trading profits of about £11m last year, compared with the total for the group as a whole of £5.6m.

The £16.72m attributable CCA loss (before payment of dividends) is struck after deducting from the CCA pre-tax profit, tax, minorities and an extraordinary debit of £13.9m.

The extraordinary item comprises profit on disposal of subsidiary and associated companies of £5.97m, and reorganisation closure costs of £18.2m.

In the historical profit and loss account the extraordinary debit amounts to £907,000, being £8.2m reorganisation and closure costs and £7.3m profit on the sale of subsidiaries and associated companies.

The auditors say Tootal has deducted from the extraordinary items (in the profit on the disposal of subsidiaries) losses of two subsidiaries disposed of at the end of the half year of £12.2m. To account with SSAP 14, this should have been charged in arriving at the pre-tax profit.

The group says that due to the seasonal nature of the businesses it would have been misleading to treat these losses in any other way.

The profit of £497,000 on the sale of the head office premises should, say the auditors, have been included in the extraordinary items not in the pre-tax profit as the group has done. This is to fall in with SSAP 6.

If the results were adjusted to reflect the auditors' comments, the historical pre-tax profit would have been reduced by £1.72m and a corresponding drop in earnings per share.

Meeting, Manchester, June 24, at noon.

Mountview earns and pays more

ON TURNOVER well up at £3.55m against £2.11m pre-tax profit, Mountview Estates, property dealing and investment concern, expanded to £1.93m for the year ended March 31, 1980, compared with £1.21m.

And the dividend is boosted to 2.4p (1.5p) net per 5p share with a final payment of 1.7p.

At the interim stage, the directors said that results for the full year should be at least as good as those for 1979-79.

After the year's tax charge of £1m (£629,708) net profits came out at £295,907 (£581,979) giving earnings of 18.52p (11.64p) per share.

Interest received amounted to £4,229 (£8,502), and the figure should, say the auditors, have been included in the extraordinary items not in the pre-tax profit as the group has done. This is to fall in with SSAP 6.

Eva Industries lower despite slight second-half rally

DESPITE IMPROVING its second half showing from £951,000 to £961,000, Eva Industries reports a drop from £1.95m to £1.57m in pre-tax profits for the year to March 31, 1980.

Mr. T. R. Astley, the chairman, says that in spite of everything—the engineers' strike, the steel strike, the high cost of borrowing, the inhibiting effect of a strong pound, a major devaluation in Brazil and the inevitable cost associated with setting up the Tranter production line—Eva Industries has emerged with its profits more or less intact.

He says the group is fortunate that demand for its agricultural tool division products is not affected by the UK economy but costs and profitability are affected.

The company is in the process of re-organising the management of its engineered products division to provide a base for future growth. Although at this point it is too early in the life of the Tranter project realistically to forecast the degree of ultimate acceptance of this vehicle market, response so far has been almost totally positive, he says.

After tax down from £629,000 to £330,000, stated earnings per 25p share are 15.3p against 12.3p, and the final dividend is raised from 2.95p to 3.25p for a total of 5.65p (£5.36p). Dividends absorb £329,000 (£505,000).

comment

Eva's chairman has a fresh "catalogue of difficulties" to dis-

cuss in his annual statement. Profits are down for the second year running, but the result was not unexpected and the shares picked up 3p to close at 58p where the p/e is 3.6 on stated earnings and the yield is 14.7 per cent. They were down 10p in the recovery in the agricultural tools division with profits creeping over the 50p mark. But the strength of sterling and hefty Brazilian devaluation distorts the picture. The group's largest subsidiary, Acotopy of Sao Paulo, which manufactures around 5m shoes a year, saw a good rise in volume but currency movements chipped around £400,000 off the sterling conversion. The pound's rise has also hit UK hoe exports though the African markets are safe enough, as sales tend to be in response to EEC aid programmes which stipulate European suppliers. Elsewhere there is stiff competition from the Chinese. The engineering operations in the UK were predictably dull, and development costs of the Tranter

agricultural vehicle, £200,000 last year, have been written off profits. A substantial recovery this year for the group looks remote. Brazil and the Far East operations are moving reasonably well but two thirds of the business is still in the UK where trading is tough.

Progress at Coutinho Caro

Turnover of Coutinho Caro and Co., an unquoted associate of Coutinho Caro of Hamburg, was up from £96m to £154m for 1979 and pre-tax profits were higher at £3.95m compared with £2.6m previously.

Mr. F. A. Oppenheimer, chairman of the group, a supplier of steel, chemicals and industrial plant, says the results are better than he would have forecast at the beginning of the year. The balance sheet at the year-end showed the group in healthy condition.

ADELA INVESTMENT COMPANY S.A.

U.S. \$25,000,000

Floating Rate Notes 1983

NOTICE IS HEREBY GIVEN to all holders of the Notes referred to above (the "Notes") that European Banking Company Limited as Agent for and on behalf of Adela Investment Company S.A. ("Adela") will purchase up to \$2,000,000 principal amount of the Notes in satisfaction of Adela's mandatory redemption obligation under Condition 5 (a) of the Notes falling due on the Interest Payment Date falling in July 1980.

armitage shanks further substantial growth

Record profits have been achieved through all divisions of the Group contributing to our increasing range of co-ordinated bathroom products.

Pre-tax profits up 38.3%.

Earnings per share up 64.8%.

Dividend up 27.4%.

The Group has never been better placed to meet the continuing challenges imposed upon it as a leading manufacturer of bathroom equipment.

Kennedy Campbell, Chairman.

SALES £'000		PRE-TAX PROFIT £'000	
78	42,309	78	2,479
79	48,928	79	4,532
80	53,928	80	6,270
DIVIDEND PER SHARE PENCE		EARNINGS PER SHARE PENCE	
78	2.87	78	4.25
79	3.47	79	9.52
80	4.40	80	15.69

armitage shanks

BETTER BATHROOMS

Armitage Shanks Group Limited, Armitage, Staffordshire.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding dividend	Total
Allied Leather	3.25	July 9	2.88	6.13
Armitage Shanks	2.9	Oct. 1	2.13*	5.03
Buffels Gold	4.50	Aug. 8	1.90	6.40
Camford Eng.	1.63	July 25	1.63	3.26
Carr's Milling	1.25	July 4	1.25	2.50
Clydesdale Collieries	30t	Aug. 22	18	48
Comet	1.36	Aug. 1	1.27*	2.63
Eva Industries	3.25	Aug. 31	2.96	6.21
Griqualand Expl.	7.53	Aug. 22	20	27.53
Highams	2.78	Aug. 4	2.66	5.44
Thos. Locker	0.81	July 18	0.71	1.52
McCorquodale	2.64	July 23	2.64	5.28
Mountview Estates	1.7	July 16	0.67	2.37
Oceana Development	1.7	Aug. 22	34	35
Seafirst	57t	Aug. 28	35	92
Stillfontein Gold	160t	Aug. 8	35	195
Time Products	1.8	Aug. 22	1.67*	3.47
Trans-Natal Coal	16t	Aug. 22	14	30
W. Rand Consol.	7.53	Aug. 8	7.5	15.03

* Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. * On capital increased by rights and/or acquisition issues. * South African cents throughout. * On capital prior to scrips and consolidation.

Matthew Hall

International engineering contractors in the energy, process, mining, building and electrical services industries

"We are constantly seeking to expand the Group, to increase its expertise and to broaden its base"

Sir Rupert Speir

Salient points from the Chairman's Statement

- * Good overall results in 1979 despite the transport and engineering disputes and the severe weather in the first part of the year.
- * With reduced tax charge profit attributable to shareholders increased by 49%.
- * Expansion of Group's activities in coal, mining and energy services.
- * Overseas subsidiaries performed well and new companies formed in USA and Singapore.

"I believe that our performance in 1980 will surpass that of 1979 provided that nothing unforeseen arises between now and the end of the year. We have at least started the year in better shape with healthy order books, but we are, of course, in a very competitive environment internationally. The current high level of interest rates tends to restrict investment decisions, so this year will not be an easy one.

Nevertheless, we are constantly seeking to expand the Group, to increase its expertise and to broaden its base. In this regard we are at this moment actively engaged in appraising closely-related companies for possible acquisition in the United States and are negotiating for two companies in the mining industry in the United Kingdom."

Summary of Results

	1979 £000	1978 £000
Turnover	219,960	175,414
Profit before Taxation	7,570	7,174
Taxation	1,838	3,337
Profit attributable to shareholders	5,732	3,837
Dividends per share (gross)	10.51p	8.443p*
Earnings per share	33.52p	22.31p*

* adjusted for 1979 bonus issue

Copies of the Annual Report 1979, containing the Chairman's Statement in full, available from the Secretary,

MATTHEW HALL & CO., LIMITED

101-108 Tottenham Court Road, London W1A 1BT.

Armitage Shanks ahead 38% to record £6.3m

THE satisfactory result expected by Armitage Shanks Group for the year ended March 29, 1980, emerges as a 38.3 per cent rise in pre-tax profits to £6.27m on turnover up 10.2 per cent to £53.93m.

Stated earnings per share are 15.69p against 9.52p, and a final dividend of 2.5p effectively lifts the total from 3.46p to 4.4p.

Mr. K. Campbell, chairman, says new housing starts are at their lowest level since the war but group development of an increasing range of co-ordinated bathroom products which cover all manufacturing divisions has been a major contributor to buoyant sales in the UK and this, together with improved overseas profits, has greatly contributed to the record figures.

52 weeks

	1979	1980
Turnover	£48,928	£53,928
Income tax	457	509
Profit before tax	1,081	1,356
Net profit	5,189	3,176
Minorities	248	184
Exchange losses	279	98
Extraordinary dividends	12	107
Attributable	4,882	2,769
Dividends	1,388	1,088
Retained	3,256	1,701

The sale of the building's subsidiary has resulted in lower interest charges.

Allied Leather advances

PROFITS, BEFORE tax, of Allied Leather Industries advanced from £1.63m to a record £1.84m for 1979, with £592,000 against £466,000 coming in the first six months. The year's turnover was up from £18.4m to £23.6m.

Tax charges for the year were down from £245,579 to £278,943 and after lower extraordinary credits of £88,347 (£152,990), attributable profits showed an increase from £394,664 to £1.14m.

Earnings per 25p share are given as 49.65p (37.37p) and the total dividend is raised from 4.187p to 5p net with a final 3.25p. Ordinary payments absorb £100,000 (£83,750).

Time over £5.5m and pays higher dividend

WITH second half pre-tax profits advancing from £3.22m to £3.58m, Time Products, watch and clock distributor, and manufacturer and retailer of jewelry, reports figures for the year to January 31, 1980 up from £4.9m to £5.51m.

The pre-tax figure includes £1.34m (£1.38m) from associated companies.

After tax up from £611,000 to £725,000, stated earnings per 10p share are 10.8p (10.21p) and the final dividend is 1.8p for a total of 2.25p against an adjusted 1.83p.

Turnover for the year was up from £31.94m to £37.05m.

comment

The years of explosive growth at Time Products are clearly over, but the group continues to make useful progress. Last year's 12.5 per cent profit rise was struck despite a lower contribution from the Hong Kong associates, where translated earnings were hit by the strength of sterling. The group is still apparently bought ahead of the major growth centre over the next few years, particularly for liquid crystal display (LCD) and quartz analog watches. At home, the Christmas trade was late but abundant and Time apparently bought ahead of the sharpest bullion price rises. The group has ceased to distribute Citizen watches, which will result in a substantial loss elimination this year, while the strength of the balance sheet should produce a higher level of investment income. Against this, of course, is the prospect of a recession which will damage watch sales. The market is taking a cautious view of the shares which, at 66p, trade on 5.9 times stated earnings. The dividend, which is covered almost four times by historic earnings, produces a yield of 5 per cent.

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BHS off to satisfactory start

A SATISFACTORY start in the first weeks of the current year has been made by British Home Stores and Sir Jack Callard, chairman, is confident that group performance will "again be above average," and it is well placed to meet the future.

Apart from physical expansion during the March 29, 1980 year, BHS embarked on a major programme of internal improvements to its stores.

The implementation of these development plans, which include the company's electronic point-of-sale project, will involve a high level of capital expenditure, the chairman states, and there will be further investment in SavaCentre, the group's joint hypermarket venture with J. Sainsbury.

Sir Jack says the group is convinced this programme is essential. "If we are to maintain growth, pace and profitability over the next decade."

As reported on May 13, taxable profits for the year expanded by some 25 per cent to a record £41.83m and the dividend is increased by the same to 8.75p (7p) net per share.

Stores were opened at Staines, Epsom, Plymouth, Perth, Milton Keynes and Warrington, replacement stores at Kingston and Manchester and extensions at St. Helier (Jersey) and Glasgow during the year which saw the largest physical expansion in the company's history.

This year the directors expect to open a store at Eastbourne, a replacement unit at Maidstone, in time for Christmas trading, and to complete an extension at St. Albans.

On a CCA basis historic profits were reduced to £35.05m against £39.54m.

Meeting, 129, Marylebone Road, NW, on July 2 at 11.30 am.

Hoveringham £2.5m cover for offshoot

Following difficulties at the Superior Sand and Gravel subsidiary in the U.S., the directors of Hoveringham Group

have decided to carry out a financial restructuring of the business and £2.5m has been set aside from reserves in respect of this further investment.

In his annual report, Mr. G. H. Christopher Needler, chairman, says high interest rates, inflation and the inevitable effect on house building are likely to prevent Hoveringham for some time yet from exploiting the real potential of this investment.

Improved second half for Locker

IN THE second six months ended March 31, 1980, Thomas Locker (Holdings), screening and filtration engineer, made up some of the ground lost at mid-year, when a shortfall of £0.57m was incurred. It finished the year at £1.78m, compared with £2.23m, from turnover up £18.8m to £20.41m.

First-half profits had fallen from £1.03m to £0.46m as a result of national strikes and a downturn in demand and reduced margins in some group activities; however, the second six months was expected to show a significant improvement—in the event, profits for the latter period were £1.32m (£1.2m).

Earnings per 3p share are given as 2.69p (2.82p) while a final dividend of 0.81p raises the total to 1.06p net, compared with 0.9625p.

After lower tax of £736,000 (£1,04m) net profits for the year were £1.04m, compared with £1.18m.

Cater Ryder

From the Annual Report and Statement of the Chairman, Mr. E. D. D. Ryder

- * Net profit of £983,417 after transfer to Contingency Reserves.
- * Dividend increased to 30%.
- * Exceptionally difficult year with sharply rising interest rates.
- * Considerably increased activity outside domestic banking field in Bills of Exchange.

Financial Highlights

	1980	1979
	£	£
Issued Capital—Preference	1,685,000	1,685,000
— Ordinary	4,324,571	4,324,571
Reserve	3,500,000	3,500,000
Profit & Loss Balance	1,621,637	1,605,355
Shareholders Interest	11,131,208	11,114,826
Total Assets	381,919,188	423,530,521
Total Assets—Shareholders Interest	34.31	38.10
Profit	983,417	1,514,832
Dividends	967,135	884,025

Cater Ryder & Company Limited
1, King William Street, London EC4N 7AU
Telephone: 01-623 2070

M. J. H. Nightingale & Co. Limited

1979-80	Company	Price	Change	Gross Div	Yield (%)	P/E
99	Airproducts	82	+1	6.7	10.8	3.71
90	Armitage Shanks	34	—	3.8	11.2	2.21
282	Barton Hill	282	+2	13.9	4.9	9.31
100	78 County Cars 10.7% Pt.	78	—	15.3	19.9	—
101	63 Debarth Ord.	117	—3	7.9	6.7	7.3
125	88 Frank Marshall	93	—2	12.8	13.9	4.31
158	23 Frederick Parker	104	—	16.5	15.8	—
129	42 George Blair	134	+1	8.0	5.9	2.81
75	105 Jackson Group	104	—1	7.2	5.9	2.1
153	104 James Burrell	300	—	31.3	10.4	9.81
202	242 Robert Jenkins	223	—	14.3	8.4	5.81
232	170 Taidy	134	+1	0.8	6.2	2.81
34	111 Twinkl Ord.	76	—	12.0	15.8	—
80	70 Twinkl Ord.	48	—	2.8	5.6	10.2
158	23 Unilock Holdings	40	—2	4.4	4.8	5.0
99	42 Walter Alexander	210	—	12.1	6.8	3.41
210	136 W. S. Yates	210	—	12.1	6.8	3.41

* Accounts prepared under provisions of S9AP 15.

Unitisation not the answer says Lake View

The board of Lake View Investment Trust has studied the mechanistic and likely effects of unitisation and states emphatically that it does not believe that this process would offer a satisfactory solution to shareholders seeking an interest in a long-term managed fund.

Mr. C. Alan McLintock, the chairman, says there is no quick and easy solution to the discount problem, but the board believes that its managers have the resources—and they now also have currency and tax freedoms—to maintain the process record which can ultimately be the only justification for any form of collective investment.

Mr. McLintock says it is now

RESULTS AND ACCOUNTS IN BRIEF

DE VERE HOTELS AND RESTAURANTS—Results for 1979 reported May 15, 1980. Current assets £5.59m (£5.39m), current liabilities £7.14m (£7.3m), net current assets £1.35m (£1.09m). Mueving, Connaught Rooms, London, W, June 25, at noon.

HUNTING ASSOCIATED INDUSTRIES (Aviation support, engineering, survey and photography group)—Results for 1979 and prospects reported May 15, 1980. Current assets £15.41m (£12.25m), net current assets £15.41m (£12.25m). Increase in working capital £1.08m (£1.14m). Meeting, Avenue House, London, W, July 3 at 12.30 pm.

MORE O'FERRALL (aircraft advertising)—Results for 1979 reported May 15 with prospects. Group fixed assets £2.19m (£1.81m), net current assets £1.25m (£0.41m). Net liquidity up £1.01m (£267,000). Ex-gratia payment of £10,000 made to former director. CCA pre-tax profit £2.48m against £2.78m historical. Chairman says strong demand for superlatas has continued in 1980. Meeting, Brown's Hotel, W, July 3 at noon.

JOHN CROWTHER GROUP (cloth maker)—Results for 1979 reported May 10. Group fixed assets £1.89m (£2m), net current assets £222,489 (£428,277). Increase in net assets £485,000 (decrease £275,000). Chairman says company has adequate working capacity following reductions. Meeting, Huddersfield, June 25, at noon.

INTER-CITY INVESTMENT GROUP (clothing wholesaler and knitted fabric maker)—Results for 1979 reported May 2. Group fixed assets £1.21m (£1.22m), net current assets £978,000 (£1m). Net liquidity down £18,000 (£108,000). Current cost profit £78,000 (£85,000). Meeting, Winchester House, EC, on June 16, 10.30 am.

PORTER CHADDAURN (brewery, marine engineering, cinema)—Results for year ended January 3, 1980, already reported. CCA pre-tax profit £1.57m (£1.55m). Net current assets £4.1m (£4.05m). Decrease in cash balances of £1.31m (£35,000). Meeting, St. George's Hotel, Liverpool, June 25, at 12.15 pm.

INVESTMENT TRUST OF GUERNSEY—Net asset value at May 27, 1980, 24p per share.

MARLBOROUGH PROPERTY HOLDINGS—Results for 1979 already reported (see page 2). Turnover £28.7m (£31.7m). Tax £120,000 (credit £215,000). SSAP 15 adopted. company's 1980 investment programme. TRUST UNION (Investment trust)—Results for year to March 31, 1980, reported May 9. Investments £58,82m (£57,190). Industrial unit General Trust held 30.2 per cent of capital at year-end. Meeting, Winchester House, EC, June 25, 2.30 pm.

BRITISH STEEL INDUSTRIES—Results for 1979 reported May 21. Shareholders' funds £8.73m (£5.39m) after goodwill £1.53m (£2.31m). Bank avar. cap. £2.32m (£1.53m). Loans £1.3m (£1.22m). Meeting, Sheffield, June 24, 12.30 pm.

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NOTICE OF REDEMPTION

Occidental Overseas Limited

10% Guaranteed Notes due 1981

NOTICE IS HEREBY GIVEN that in accordance with the provisions of the Indenture dated as of July 1, 1975 of Occidental Overseas Limited and Occidental Petroleum Corporation to Marine Midland Bank, N.A. (formerly Marine Midland Bank New York), as Trustee, \$1,337,000 aggregate principal amount of Notes will be redeemed on July 1, 1980 (herein called the "Redemption Date") at 100% of the principal amount thereof without premium pursuant to the Sinking Fund provisions of the Indenture. As provided in the Indenture, the Notes selected for redemption by the Trustee bear the following distinctive numbers:

COUPON NOTES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING

M-1001	1201	2308	2514	3720	3820	5094	5200	5610	5747	7051	7255	8380	9794	10433	12394	17481
1002	1202	2309	2515	3721	3821	5095	5201	5611	5748	7052	7256	8381	9795	10434	12395	17482
1004	1203	2311	2517	3723	3823	5096	5203	5613	5751	7054	7258	8383	9798	10436	12396	17483
1005	1207	2313	2519	3725	3825	5098	5205	5615	5752	7056	7260	8385	9799	10437	12397	17484
1006	1208	2314	2520	3726	3826	5099	5206	5616	5753	7057	7261	8386	9800	10438	12398	17485
1007	1210	2316	2522	3728	3828	5101	5208	5618	5754	7059	7263	8388	9802	10440	12400	17487
1008	1211	2317	2523	3729	3829	5102	5209	5619	5755	7060	7264	8389	9803	10441	12401	17488
1009	1212	2318	2524	3730	3830	5103	5210	5620	5756	7061	7265	8390	9804	10442	12402	17489
1010	1213	2319	2525	3731	3831	5104	5211	5621	5757	7062	7266	8391	9805	10443	12403	17490
1011	1214	2320	2526	3732	3832	5105	5212	5622	5758	7063	7267	8392	9806	10444	12404	17491
1012	1215	2321	2527	3733	3833	5106	5213	5623	5759	7064	7268	8393	9807	10445	12405	17492
1013	1216	2322	2528	3734	3834	5107	5214	5624	5760	7065	7269	8394	9808	10446	12406	17493
1014	1217	2323	2529	3735	3835	5108	5215	5625	5761	7066	7270	8395	9809	10447	12407	17494
1015	1218	2324	2530	3736	3836	5109	5216	5626	5762	7067	7271	8396	9810	10448	12408	17495
1016	1219	2325	2531	3737	3837	5110	5217	5627	5763	7068	7272	8397	9811	10449	12409	17496
1017	1220	2326	2532	3738	3838	5111	5218	5628	5764	7069	7273	8398	9812	10450	12410	17497
1018	1221	2327	2533	3739	3839	5112	5219	5629	5765	7070	7274	8399	9813	10451	12411	17498
1019	1222	2328	2534	3740	3840	5113	5220	5630	5766	7071	7275	8400	9814	10452	12412	17499
1020	1223	2329	2535	3741	3841	5114	5221	5631	5767	7072	7276	8401	9815	10453	12413	17500
1021	1224	2330	2536	3742	3842	5115	5222	5632	5768	7073	7277	8402	9816	10454	12414	17501
1022	1225	2331	2537	3743	3843	5116	5223	5633	5769	7074	7278	8403	9817	10455	12415	17502
1023	1226	2332	2538	3744	3844	5117	5224	5634	5770	7075	7279	8404	9818	10456	12416	17503
1024	1227	2333	2539	3745	3845	5118	5225	5635	5771	7076	7280	8405	9819	10457	12417	17504
1025	1228	2334	2540	3746	3846	5119	5226	5636	5772	7077	7281	8406	9820	10458	12418	17505
1026	1229	2335	2541	3747	3847	5120	5227	5637	5773	7078	7282	8407	9821	10459	12419	17506
1027	1230	2336	2542	3748	3848	5121	5228	5638	5774	7079	7283	8408	9822	10460	12420	17507
1028	1231	2337	2543	3749	3849	5122	5229	5639	5775	7080	7284	8409	9823	10461	12421	17508
1029	1232	2338	2544	3750	3850	5123	5230	5640	5776	7081	7285	8410	9824	10462	12422	17509
1030	1233	2339	2545	3751	3851	5124	5231	5641	5777	7082	7286	8411	9825	10463	12423	17510
1031	1234	2340	2546	3752	3852	5125	5232	5642	5778	7083	7287	8412	9826	10464	12424	17511
1032	1235	2341	2547	3753	3853	5126	5233	5643	5779	7084	7288	8413	9827	10465	12425	17512
1033	1236	2342	2548	3754	3854	5127	5234	5644	5780	7085	7289	8414	9828	10466	12426	17513
1034	1237	2343	2549	3755	3855	5128	5235	5645	5781	7086	7290	8415	9829	10467	12427	17514
1035	1238	2344	2550	3756	3856	5129	5236	5646	5782	7087	7291	8416	9830	10468	12428	17515
1036	1239	2345	2551	3757	3857	5130	5237	5647	5783	7088	7292	8417	9831	10469	12429	17516
1037	1240	2346	2552	3758	3858	5131	5238	5648	5784	7089	7293	8418	9832	10470	12430	17517
1038	1241	2347	2553	3759	3859	5132	5239	5649	5785	7090	7294	8419	9833	10471	12431	17518
1039	1242	2348	2554	3760	3860	5133	5240	5650	5786	7091	7295	8420	9834	10472	12432	17519
1040	1243	2349	2555	3761	3861	5134	5241	5651	5787	7092	7296	8421	9835	10473	12433	17520
1041	1244	2350	2556	3762	3862	5135	5242	5652	5788	7093	7297	8422	9836	10474	12434	17521
1042	1245	2351	2557	3763	3863	5136	5243	5653	5789	7094	7298	8423	9837	10475	12435	17522
1043	1246	2352	2558	3764	3864	5137	5244	5654	5790	7095	7299	8424	9838	10476	12436	17523
1044	1247	2353	2559	3765	3865	5138	5245	5655	5791	7096	7300	8425	9839	10477	12437	17524
1045	1248	2354	2560	3766	3866	5139	5246	5656	5792	7097	7301	8426	9840	10478	12438	17525
1046	1249	2355	2561	3767	3867	5140	5247	5657	5793	7098	7302	8427	9841	10479	12439	17526
1047	1250	2356	2562	3768	3868	5141	5248	5658	5794	7099	7303	8428	9842	10480	12440	17527
1048	1251	2357	2563	3769	3869	5142	5249	5659	5795	7100	7304	8429	9843	10481	12441	17528
1049	1252	2358	2564	3770	3870	5143	5250	5660	5796	7101	7305	8430	9844	10482	12442	17529
1050	1253	2359	2565	3771	3871	5144	5251	5661	5797	7102	7306	8431	9845	10483	12443	17530
1051	1254	2360	2566	3772	3872	5145	5252	5662	5798	7103	7307	8432	9846	10484	12444	17531
1052	1255	2361	2567	3773	3873	5146	5253	5663	5799	7104	7308	8433	9847	10485	12445	17532
1053	1256	2362	2568	3774	3874	5147	5254	5664	5800	7105	7309	8434	9848	10486	12446	17533
1054	1257	2363	2569	3775	3875	5148	5255	5665	5801	7106	7310	8435	9849	10487	12447	17534
1055	1258	2364	2570	3776	3876	5149	5256	5666	5802	7107	7311	8436	9850	10488	12448	17535
1056	1259	2365	2571	3777	3877	5150	5257	5667	5803	7108	7312	8437	9851	10489	12449	17536
1057	1260	2366	2572	3778	3878	5151	5258	5668	5804	7109	7313	8438	9852	10490	12450	17537
1058	1261	2367	2573	3779	3879	5152	5259	5669	5805	7110	7314	8439	9853	10491	12451	17538
1059	1262	2368	2574	3780	3880	5153	5260	5670	5806	7111	7315	8440	9854	10492	12452	17539
1060	1263	2369	2575	3781	3881	5154	5261	5671	5807	7112	7316	8441	9855	10493	12453	17540
1061	1264	2370	2576	3782	3882	5155	5262	5672	5808	7113	7317	8442	9856	10494	12454	17541
1062	1265	2371	2577	3783	3883	5156	5263	5673	5809	7114	7318	8443	9857	10495	12455	17542
1063	1266	2372	2578	3784	3884	5157	5264	5674	5810	7115	7319	8444	9858	10496	12456	17543
1064	1267	2373	2579	3785	3885	5158	5265	5675	5811	7116	7320	8445	9859	10497	12457	17544
1065	1268	2374	2580	3786	3886	5159	5266	5676	5812	7117	7321	8446	9860	10498	12458	17545
1066	1269	2375	2581	3787	3887	5160	5267	5677	5813	7118	7322	8447	9861	10499	12459	17546
1067	1270	2376	2582	3788	3888	5161	5268	5678	5814	7119	7323	8448	9862	10500	12460	17547
1068	1271	2377	2583	3789	3889	5162	5269	5679	5815	7120	7324	8449	9863	10501	12461	17548
1069	1272	2378	2584	3790	3890	5163	5270	5680	5816	7121	7325	8450	9864	10502	12462	17549
1070	1273	2379	2585	3791	3891	5164	5271	5681	5817	7122	7326	8451	9865	10503	12463	17550
1071	1274	2380	2586	3792	3892	5165	5272	5682	5818	7123	7327	8452	9866	10504	12464	17551
1072	1275	2381	2587	3793	3893	5166	5273	5683	5819	7124	7328	8453	9867	10505	12465	17552
1073	1276	2382	2588	3794	3894	5167	5274	5684	5820	7125	7329	8454	9868	10506	12466	17553
1074	1277	2383	2589	3795	3895	5168	5275	5685	5821	7126	7330	8455	9869	10507	12467	17554
1075	1278	2384	2590	3796	3896	5169	5276	5686	5822	7127	7331	8456	9870	10508	12468	17555
1076	1279	2385	2591	3797	3897	5170	5277	5687	5823	7128	7332	8457	9871	10509	12469	17556
1077	1280	2386														

REPORTS TO MEETINGS

Mixed results from GRE in early months of year



**Davies &
Newman**
HOLDINGS LIMITED

Improvement

With regard to Dan-Air, the most important factor affecting the future is the possible erosion of our profit margins due to escalating costs. Whilst the full employment of our fleet in the summer should form a sound basis, it is too early to forecast the likely results for 1980.

It was likely that the January 31, 1981, year's profits could be adversely affected.

London and Continental Advertising Holdings—Turnover and profits were ahead of the corresponding period last year and the group's liquidity position was strong. The chairman said the group was ready to take

in the property account of the general branch, efforts to rectify the under-insurance which had been brought about by persistent

Two years ago, we had the Winter of Discontent. And everyone predicted a hard time ahead for the advertising industry. The fact that all of Britain's top ten agencies and agency groups have since grown substantially is probably the most convincing demonstration of the sheer necessity for an efficient advertising sector. One group, however — quite possibly not the one you first thought of — has outstripped the others.

And that fact, frankly, is something that's likely to surprise our competitors more than it surprises us or our clients.

More than a decade ago, we started planning for today's conditions; in which no company can afford to concentrate all its communications efforts on its customers alone, while neglecting audiences like shareholders, Government, employees, potential recruits and other special-interest groups.

We could have built a monolithic agency, ready (or at least willing) to have a go at any and every communications task. Instead, we concentrated on building a strong group of specialist

Interim Statement

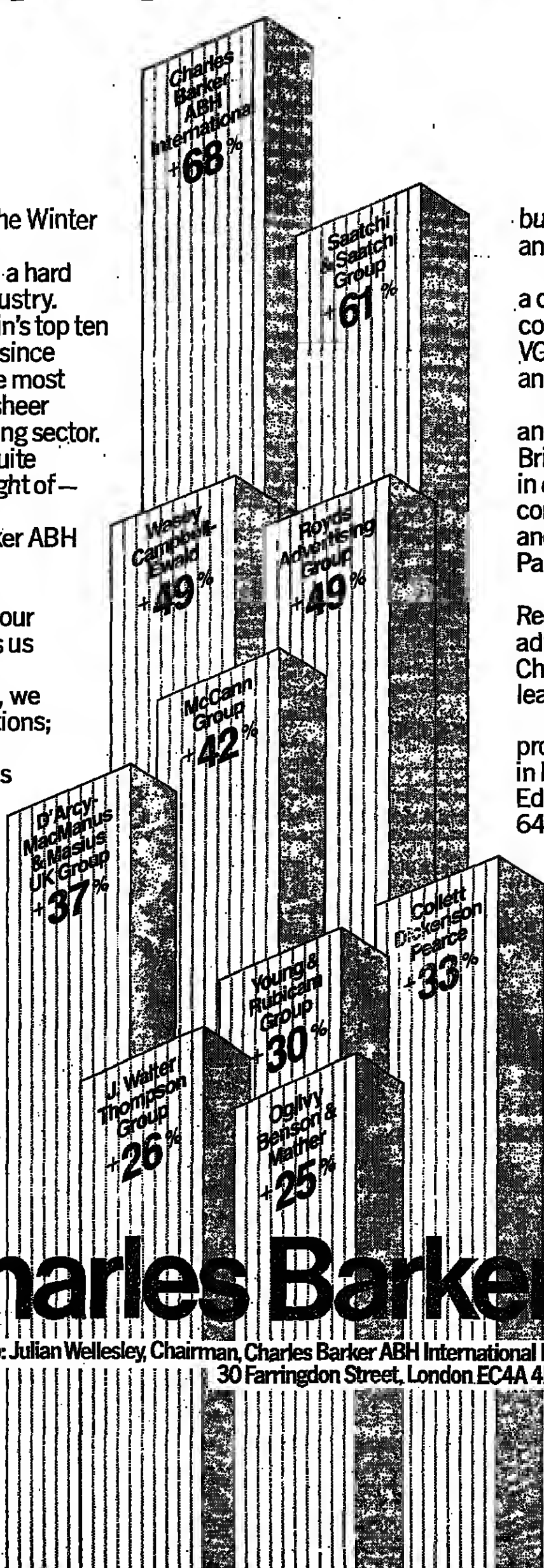
	26 weeks to 1st March 1980	26 weeks to 3rd March, 1979	52 weeks to 1st Sept., 1979
	£	£	£
Sales	19,937,000	18,216,000	37,263,000
Less Inter-company sales of products for re-processing	2,298,000	1,614,000	3,724,000
Sales to External Customers	17,639,000	16,602,000	33,539,000
Profit before Taxation	580,000	475,000	806,000
Estimated Taxation	53,000	—	—
Profit after Taxation	507,000	475,000	806,000
Net Profit Attributable to	507,000	475,000	806,000

The figures for the 26 weeks to the 1st March, 1980 (and for the comparable period of the previous year) are unaudited. No charge to taxation was made in the accounts for the year to 1st September, 1979 and in view of the Capital Allowances and various reliefs available to Group companies no charge to 'mainstream' corporation tax is envisaged in the current year. The estimated taxation shown for the 26 weeks to the 1st March, 1980 is Advance Corporation Tax in respect of the final dividend for the year ended 1st September, 1979 and on the 16th January, 1980.

Capital investment on modernisation last year assisted flour milling to make an increased contribution to Group profit and the profit achieved by our animal feedingsuffs and bakery interests was satisfactory. However, the depressed state of agriculture worked against us in our efforts to develop the agricultural merchandising side of our business. The current high interest rates together with the seasonal decline in demand for animal feedingsuffs will mean that the Group level of profitability achieved in the first six months of 1974 is a somewhat half of the year.

The Directors have declared an Interim Dividend on the Ordinary Share Capital of the Company for the year ending 30th August, 1980 of 1.25p per share (Interim Dividend 1979, 1.00p per share). The Dividend declared will absorb 262,500 of the profit and will be paid on the 4th July, 1980 to those registered as shareholders on the 27th June, 1980.

Figures relate to UK growth for 1977-1979, as published in the Campaign Annual Analysis of agency billings, January 5th 1979 and January 4th 1980. (Charles Barker figure for 1979 compares with audited turnover of £57.8m.)



businesses, each with its own skills and disciplines.

Today, we have Ayer Barkin & Co., a consumer agency working for companies like PanAm, Avon, VG Stores, Chanel, Mercedes-Benz and ICI.

We have Charles Barker City and Charles Barker Lyons; respectively, Britain's largest agency specialising in corporate and business communications, print and design, and Europe's largest public and Parliamentary relations consultancy.

We have Charles Barker Recruitment, the second-largest British advertising agency in its field, and Charles Barker-Coulthard — one of the leading executive search consultancies.

And we have companies providing all these skills through offices in Birmingham, Manchester, Glasgow, Edinburgh and Aberdeen — and in 64 cities world-wide through our international partnership with NW AER.

If you're concerned — in whatever capacity — with your company's communications, we'd like to introduce you to our range of services by sending you our newly-published Annual Report.

Simply send us the coupon. We'll do the rest.

The Charles Barker Group

**To: Julian Wellesley, Chairman, Charles Barker ABH International Ltd,
30 Farringdon Street, London EC4A 4EA**

Please send me the Charles Barker Group's latest Annual Report.

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Position _____

Company _____

Address _____

Telephone _____

Companies and Markets **INTERNATIONAL COMPANIES and FINANCE**

THE SEAT-FIAT SPLIT

INI confirms search for new partner

BY ROBERT GRAHAM IN MADRID

THE SPANISH State holding company, INI, confirms its search for a new partner, following its relationship with Fiat, which is now "completely broken", according to a source in the company. The source said that INI's search for a new partner is a "very serious" matter and that the company is "not in a hurry" to find one. He added that INI's search for a new partner is a "very serious" matter and that the company is "not in a hurry" to find one.

INI confirmed that it is actively considering alternative European and Japanese partners to sustain the long-term existence of Seat. These remarks were made yesterday by Sr. Jose Miguel de la Rica, INI president, in the first public comment on Fiat's refusal to carry out its 2.50m (\$400m) share of a Fiat-Seat (\$500m) capital increase. The expiry date for the capital increase was May 31, but INI has still received no formal notification from Fiat, Sr. de la Rica said. INI, backed by a Cabinet decision of May 22, would fully subscribe Fiat's share, he added.

Esso Nederland plans Rotterdam refinery expansion

BY CHARLES BATCHELOR IN AMSTERDAM

ESSO NEDERLAND, the Dutch subsidiary of the U.S. Exxon group, plans to spend at least Fl 1bn (\$513m) expanding its refinery in the Botlek harbour basin near Rotterdam. The company will announce further details today. This brings investment in Rotterdam announced by Esso within the past few days to at least Fl 2bn. Esso last week unveiled a Fl 1bn plan to build a test plant at Europoort to convert 100 tonnes of coal a day into methanol.

West World Holding

NOTICE TO THE SHAREHOLDERS OF N.V. BELEGGENSMAATSCHAPPIJ WERELDHAVE
West World Holding Inc.

The Directors of N.V. Beleggingsmaatschappij Wereldhave ("Wereldhave") announce that an unlisted investment company, West World Holding Inc., is to be incorporated in the United States of America for the purpose of investing in commercial real estate in that country.

The Directors announce the proposed issue of a minimum of 5,000 and a maximum of 10,000 shares at US\$10,000 per share. Copies of the Dutch Prospectus, being an abridged version of the original offering memorandum in the English language, in connection with this issue are available at the head offices in Amsterdam of Pierson, Heiding & Pierson N.V., Nederlandsche Middenstandsbank N.V. and Kempen & Co. N.V.

Copies of the original offering memorandum in the English language (on the terms of which alone applications to subscribe shares of West World Holdings, Inc. will be considered) are available for inspection at the offices of Morgan Grenfell & Co. Limited, New Issue Department, 21 Austin Friars, London EC2P 2HB. Additional information is also available from Wereldhave's Head Office in The Hague.

Private investors can subscribe for up to a total of 2,000 of these shares in aggregate at the offices of the above mentioned banks in Holland up to and including 1st July 1980.

The shareholders of Wereldhave have been given priority if private investors subscribe for more than 2,000 shares in West World Holding Inc.

The Hague, 5th June, 1980.
N.V. Beleggingsmaatschappij Wereldhave
Wereldhave

Perstorp lowers profit forecast

BY VICTOR KATZETZ IN STOCKHOLM

PERSTORP, THE Swedish chemicals and plastics group, has forecast a pre-tax profit of SKr 98.10m (\$23.26m) during the financial year ending August 31, compared with SKr 111m the preceding year. Sales are forecast to rise 19 per cent to SKr 1,650 (\$381m), the eight-month report also predicts.

Perstorp Brazil, hit by a cruzeiro devaluation, rapid inflation and tight controls, now the less showed earnings only slightly below those of last year. Group investments totalled SKr 92m for the first eight months, up from SKr 51m, reduced liquidity is expected. The equity to debt ratio will drop from 37 to 35 per cent during the year to August 31.

Reduced income for Irish bank

By Our Financial Staff

REDUCED six months profits are reported by the City of Dublin Bank which points out that business conditions over the rest of the year are unlikely to show a significant improvement.

Swiss travel company ahead

BY JOHN WICKS IN ZURICH

DUE LARGELY to a rise in the turnover of foreign subsidiaries, the leading Swiss travel agency, Reisebuero Kuoni, booked a 16 per cent increase in billings for 1979 to a record SwFr 651m (\$513.4m). Net profit improved slightly to SwFr 3.5m.

Bastogi appoints new president

BY RUPERT CORNWELL IN ROME

SIG. LUIGI SANTA MARIA was yesterday named president of the troubled Bastogi financial company to replace Sig. Alberto Grandi who has become chief executive at the state-owned energy group ENEL.

chemical concern, is the largest shareholder. However, he stepped down with the entry into Sna's control syndicate of a group of major Italian private interests intent on securing Sna's recovery within the framework of the private sector.

World Currencies.

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One of the most successful innovations in the world of international exchange is our group of foreign currency futures contracts: British pounds, Canadian dollars, Swiss francs, Deutsche marks, Japanese yen, Mexican pesos, French francs and Dutch guilders. Almost one million contracts were traded in the first quarter of this year alone.

from four to eight per year. This will serve to expand the opportunities for banks, corporations and other traders engaged in hedging, arbitrage and spreading. The expanded schedule offers regular contracts for January, March, April, June, July, September, October and December.

A spot month trades without daily price limits so it can constantly stay in line with world interbank prices, signifying the increasingly close relationship that exists between the IMM and the global foreign exchange market.

The business of the IMM is to respond to the needs of corporations, banks and individuals who use it. The transfer of foreign exchange risk to the IMM's futures markets has become an important aspect of doing business.

We are at your service. For more information call 800-228-2027; in Nebraska 402-571-4900; in London 01-920-0722.

Finnish metal group gains

BY LANCE KEYWORTH IN HELSINKI

ANNUAL SALES above FM 2bn for the first time and improved profits are reported by the Finnish state-owned mining and metals group, Outokumpu.

Sales rise at Hunter Douglas

ROTTERDAM — Hunter Douglas, the Dutch-based international industrial group, reported first quarter sales of \$178.5m up from \$140.9 in the first three months of 1979.

BANKING IN PORTUGAL

Military veto for private sector

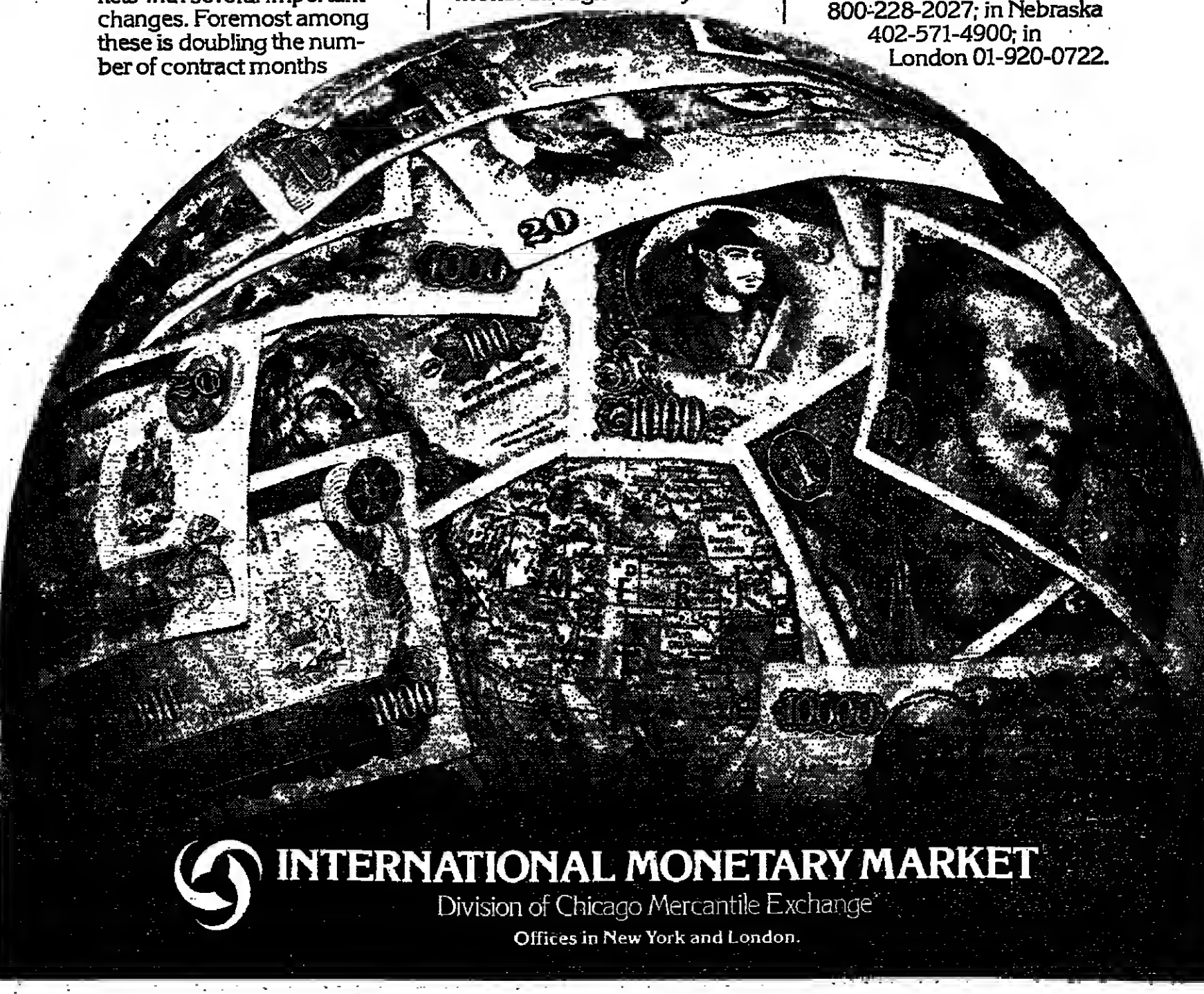
BY JIMMY BURNS IN LISBON

PORTUGAL'S constitutional watchdog, the Military Council for the Revolution, has halted the process by which the country's banking system was about to be slowly unshackled.

Portuguese bankers. The post-revolutionary period has produced a new managerial class which readily accepts a liberalisation of the system. Indeed, the present structure already operates along largely competitive lines.

Portugal's nationalised banking system seemed set for some private sector participation. But the Military Council for the Revolution has vetoed the development.

rule out the possibility of the economy being widened to include the private sector. The Military Council, however, argues that the Government's law represented a carte blanche for the recovery of the old private monopolies which existed prior to the revolution.



INTERNATIONAL MONETARY MARKET

Division of Chicago Mercantile Exchange
Offices in New York and London.

Philadelphia National Corporation

Philadelphia National Corporation and Subsidiaries
Consolidated Balance Sheet—March 31, 1980

Assets	
Cash and Due from Banks	\$ 776,567,000
Time Deposits, principally Eurodollars	255,933,000
Investment Securities	627,194,000
Federal Funds Sold	413,130,000
Trading Account Securities	106,845,000
Loans, net of discounts	\$3,242,091,000
Less: Allowance for Loan Losses	(36,996,000)
Net Loans	3,205,095,000
Due from Customers on Acceptances	204,245,000
Other Assets	364,448,000
Total Assets	\$5,953,457,000

Liabilities	
Demand Deposits	\$1,536,065,000
Savings Deposits	544,043,000
Time Deposits	901,654,000
Overseas Branches and Subsidiaries Deposits	924,398,000
Total Deposits	3,906,160,000
Short-term Borrowings	1,052,011,000
Bank Acceptances	204,975,000
Outstanding	357,821,000
Other Liabilities	118,311,000
Long-term Debt	5,639,278,000
Total Liabilities	\$5,953,457,000

Shareholders' Equity	
Common Stock	5,824,000
Surplus	179,792,000
Retained Earnings	128,563,000
Total Shareholders' Equity	314,179,000
Total Liabilities and Shareholders' Equity	\$5,953,457,000

Principal Subsidiary

The Philadelphia National Bank

Philadelphia, Pennsylvania Since 1803 Member FDIC

Branches:
Luxembourg and Nassau

Representative Offices:
Bogota, Buenos Aires, Caracas
Hong Kong, London, Manila, Panama
City, Paris, Sao Paulo, Sydney, Tokyo

European Corporate Office:
Hamburg

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Chief Executive Officer
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JOHN P. BRACKEN
Counsel to Morgan, Lewis & Bockius
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Chief Executive Officer
The Penn Mutual Life Insurance
Company

Companies
and Markets

INTL. COMPANIES & FINANCE

Japan clarifies syndicated loan rules

By Peter Montagnon

THE JAPANESE Ministry of Finance has clarified further its guidelines on the participation of Japanese banks in the syndicated credit market. As expected, the banks are to be allowed a market share of some 10 per cent which means the increase in their outstanding lending and loan commitments in the current fiscal year should run at about \$5bn.

However, a limit of 20 per cent has been set for participation in individual transactions, while a bank's exposure to any one borrowing country may not exceed 20 per cent of its capital and reserves.

The outcome, according to bankers in London, is that while the Japanese banks will be making their presence felt in the credit market again after virtually total absence during the winter, they are prevented from resuming their previous aggressive lending habits.

The guidelines have also been extended to overseas affiliates of Japanese banks in cases where the shareholding in the foreign operation exceeds 50 per cent.

The banks do not need Ministry of Finance approval for each specific credit, but they must keep the Ministry informed of every transaction.

The guidelines will force the banks to be selective. Where their leading limits allow them a 20 per cent participation in an operation, this could be enough to dampen any upward pressure on spreads.

By contrast, the banks are unlikely to be present at all in loans to countries where they are already over-lent under the guideline principle.

This could accelerate the development of greater spread differentials between varying degrees of country risk, which has been expected to emerge during the course of this year.

CSR outlines projects as earnings increase

By JAMES FORTH IN SYDNEY

CSR, the sugar, mining and industrial giant, is poised for several years of rapid development after posting a 29 per cent gain in 1979-80 profits. Earnings rose from A\$60m to a record A\$77.3m (U.S.\$88.4m), and directors have raised the dividend from 15 cents a share to 18 cents a share.

CSR in recent months has made a massive drive into natural resources, helped by last year's A\$465m takeover of Thiess Holdings.

Along with the profit results for the year to March 31, the board has outlined a number of major projects likely to proceed over the next year or so, several resulting from the Thiess acquisition. These include the A\$700m Tomago aluminium smelter in New South Wales, in which the CSR subsidiary, Gove Alumina has a 35 per cent share. Financing arrangements are almost complete.

Other projects include the Hall Creek and Yarrabee coal ventures in Queensland, both ready to proceed as soon as contracts are obtained, the Dry-

ton steaming coal venture in NSW, expansion of coal mining operations in Queensland, NSW and WA, a new pulp mill in New Zealand and "numerous other possibilities under study."

The group's traditional sugar activities have provided the bulk of the improvement in the latest year, lifting its profits from A\$20.7m to A\$32.4m. Profit on the minerals and chemicals division rose from A\$27.3m to A\$28.6m, and the building materials division from A\$12m to A\$16.3m.

The sugar division returned 14.2 per cent on average shareholders funds of A\$227m, building materials 10.1 per cent to A\$160m, and minerals and chemicals 9.4 per cent to A\$305m.

The main profit growth was in the first six months when earnings jumped by 49 per cent to A\$41m. In the second half they rose by only 12 per cent to A\$36.3m.

In addition to the trading profit, CSR earned A\$18.8m in extraordinary profits, compared with only A\$1m in the previous year. This included A\$11.7m

on the sale of assets and A\$7.3m from the sale of investments in United Telecasters, Sydney, Fletcher Holdings, and Weeks Petroleum.

The directors said that profits from sugar milling more than doubled, raw sugar export prices were buoyant late in the year and the returns were better from domestic refined sugar sales. The Mount Newman iron-ore venture lost 73 days' production, mainly because of strikes, and shipments of iron-ore fell by 13 per cent to 28.1m tonnes. Mount Newman contributed A\$7.5m to profit compared with A\$11.2m in the previous year.

The current year has started well with the world sugar price rising to \$223.7 in May compared with an average of \$214 in 1979 and an average of \$213 for the March 1980 quarter.

CSR's mills are expected to make about 7.5 per cent more sugar this year, and iron-ore export prices have risen substantially from April 1. The year has started well for most other main activities.

W. R. Carpenter sees record

By OUR SYDNEY CORRESPONDENT

W. R. CARPENTER Holdings, the diversified industrial group, is heading for record earnings in the year to June 30 after a solid performance in the first three quarters. Profit for the nine months to March jumped by 67 per cent, to A\$8.4m (U.S.\$9.6m) from A\$5.0m and the directors said that they expected the result for the full year would top A\$12m. This would easily pass the previous record of A\$10.3m achieved in 1976-77. The following year the profit plunged to only A\$355,000 but recovered last year to A\$9.53m.

The increase in earnings for the first nine months outstripped the growth in sales which rose almost 20 per cent to A\$302m (U.S.\$345m) from A\$252m. An A\$12m profit would equal earnings of 27.3 cents a share compared with 21.8 cents in 1978-79.

Last year Carpenter paid a dividend total of 12.5 cents a share, and has already lifted the interim payment this year to 6.5 cents from 5.5 cents. The directors said that profits continued to improve in the Australian divisions, with earnings before interest and tax up 32.5 per cent.

The main contributions to the higher profit were a 33 per cent lift in earnings from the paper merchant, Dalton Bros., and a return to profits in the property development and finance divisions. The signs, lighting and scaffolding group continued its profit improvement.

Higher returns from tea, copra and oil processing in Papua New Guinea more than offset lower proceeds from cocoa and coffee, but the Fiji results were lower.

Fall at Wearne Brothers

By GEORGIE LEE IN SINGAPORE

GROUP PROFITS fell sharply at Wearne Brothers, the leading Singapore and Malaysian motor trading company, in the half year to March 1980. Pre-tax profit was S\$3.5m (U.S.\$4.1m), or 34.3 per cent less than the S\$13.4m in the same period of the previous year.

Turnover declined by 4.3 per cent to S\$163.2m (U.S.\$179m). Wearne attributed the performance to higher costs and a reduced volume of European produced vehicle sales. The group's main motor agency lines are in BL and Ford Motor vehicles.

Sales of UK-made cars have been affected by the strength

of sterling and the weakness of the yen, which has given an edge to its Japanese competitors.

Wearne warned that this situation is likely to continue for the remainder of the financial year.

There is good news, however, in that sales and profits of heavy machinery improved, particularly in East Malaysia, and the group has been able to secure an increased share of the buoyant market.

The group has declared an interim gross dividend of 4 per cent, against the 1979 interim dividend of 5 per cent.

Advance at Realty Development

By PHILIP BOWRING IN HONG KONG

REALTY DEVELOPMENT Corporation, a Wheelock Marden group property development and investment company, has announced that after-tax profit for the year ending March 31 rose 51 per cent to HK\$50.01m (U.S.\$10.1m).

Final dividends of 12 cents for "A" shares and 2.4 cents for "B" shares were declared, making totals for the year of 19 cents and 3.8 cents, respectively, compared with 16 cents and 3.2 cents the previous year.

HONG KONG Aircraft

Engineering Company has received 12.27m acceptances for the 12.34m shares offered to its rights issue of one new HK\$1 share for every four held at HK\$6.50 a share. Reuter reports from Hoog Kong.

The balance of the offering was taken by the underwriters, Swire Pacific, Earlier, Swire Pacific and Cathay Pacific Airways, which between them own 50.02 per cent of the issued capital, had said they would take up their rights.

U.S. \$150,000,000

Midland International Financial Services B.V.

(Incorporated with limited liability in the Netherlands)

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Amount applicable to Notes which are presented for conversion

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PRICE INDEX	3.60	27.50	AVERAGE YIELD	3.80	27.50
DM Bonds	95.06	95.13	DM Bonds	8.41	8.505
HFL Bonds & Notes	91.36	92.82	HFL Bonds & Notes	8.75	8.805
U.S. \$ Str. Bonds	88.99	88.91	U.S. \$ Str. Bonds	11.129	11.221
Can. Dollar Bonds	91.38	90.57	Can. Dollar Bonds	11.472	11.608



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AKZ C	F.82.50	2	1.50	—	—	—	F.83.70
AKZ C	F.82.50	85	0.50	3	1.50	80	2.10
AKZ C	F.27.50	—	—	10	0.60	—	"
AKZ P	F.82.50	—	—	—	—	2	1.10
EK C	F.81.5	—	7 1/2	—	—	—	556 1/2
FNC C	620	2	1 1/2	5	—	—	521 1/2
HEI C	F.80	8	5	10	4.60	—	F.82.20
HEI C	F.65	1	—	—	—	—	"
HEI P	F.65	4	0	—	—	—	"
HO C	F.17.50	—	—	21	1.10	—	F.16.70
HO C	F.80	80	0.10	—	—	—	"
HO Q	850	—	—	4	3 1/2	—	356 1/2
KLM Q	F.70	50	2.10	—	—	—	F.66
KLM C	F.80	61	0.40	—	—	—	"
KLM P	F.80	1	1.50	—	—	—	"
KLM P	F.77	0	—	—	—	—	"
NAT C	F.100	5	7.50	—	—	—	F.106.20
NAT C	F.104.50	—	—	6	6	—	"
NAT P	F.109.10	41	1.50	—	—	—	"
NAT P	F.104.50	48	—	—	—	—	"
NN C	F.110	0	1.50	13	3	—	"
NN C	F.120	—	—	8	1.20	—	"
NN P	F.110	2	4.10	—	—	—	"
NN P	F.120	—	—	15	14	—	"
PET C	Fr.5000	—	—	—	4	670	Fr.5200
PET C	Fr.5000	10	40	18	—	—	"
PHI C	F.15	—	—	21	1.40	20	F.17.90
PHI C	F.17.50	—	—	—	—	1.60	"
PHI C	F.80	5	0.10	105	0.40	—	"
PHI C	F.82.50	—	—	10	0.20	—	"
PHI P	F.17.50	—	—	10	0.70	—	"
PHI P	F.17.50	—	—	80	—	1	"
RD C	F.150	14	19	30	13.50	—	"
RD C	F.150	55	4.80	67	3.20	—	F.161.10
RD C	F.170	108	1.20	29	7	—	"
RD P	F.140	—	—	1	0.90	—	"
RD P	F.145	—	—	6	2.10	—	"
RD P	F.160	18	1	6	5.80	1	8
RD P	F.160	10	3.70	85	8.50	—	"
RD P	885	—	—	—	7 1/2	—	552 1/2
UNI C	F.105	8	8	—	—	—	F.109.50
UNI C	F.110	7	3.50	15	5	—	"
		Aug.		Nov.		Feb.	
BLE C	5120	10	1 1/2	10	8 1/2	—	5110 1/2
VW C	DM.170	10	12.50	10	—	—	DM.180
TOTAL VOLUME IN CONTRACTS							1776
C=Call			P=Put				

JOBS COLUMN, APPOINTMENTS

Too many splits for the national health

BY MICHAEL DIXON

"THERE'S no sense in being paranoid; they're bound to get you in any case." The friend who said that the other day meant it as a warning against my tendency to conclude that the world is generally mad. He sees this as a sign of incipient insanity on my part. I argue that it is rather an inevitable consequence of being employed to try to make sense of the United Kingdom's arrangements for both preparing and selecting people for jobs.

So I am relieved to see that the report on those arrangements recently made to the Prime Minister by the Central Policy Review Staff, showed a similar tendency. The Think Tank's report evidently concludes that all five main parties involved — employers, educational establishments, the industrial training establishments, and Government itself — are suffering from some form of mental imbalance.

Employers and unions both show traces of split personality. While continually calling for recruits with a more practical training, the report notes, employers actually give preference to recruits with academic qualifications. "While representatives of trade unions frequently spoke loudest against closing options (of taking up

different kinds of work) while at school, trade unions' conventions on apprenticeships as the only route into skilled trades frequently close down options immediately after leaving school."

The unions' fixation on the outworn apprenticeship convention, is also shared by employers, so that both sides of industry effectively collude to preserve needlessly protracted forms of preparation for work. One effect is to perpetuate shortages of crucial work-skills even at times of high general unemployment. Another is to inhibit the adoption of more efficient methods of training, not only young recruits, but also older people.

The organisation of industrial training is mainly left to bureaucratic boards, joint committees and worse, which are presided over by various combinations of the self-same employers and unions. So it is somewhat less than surprising that the Think Tank finds industrial training to be schizophrenically fragmented, which may largely explain why it is "rigid, conservative and slow to respond to new industrial requirements."

A similar imbalance is diagnosed in Government. One part of its personality laments such ills as the simultaneous existence of shortages of skills and high general unemployment.

ment. The other side shies away from giving what the report calls "an effective steer" to the preparation of people for work. Meanwhile, this second or perhaps even a third side of the governmental personality, continues to perpetuate through the Civil Service's recruitment procedures a mindless insistence on "formal but irrelevant" qualifications.

This insistence by the Civil Service and other employers reinforces the fifth of the main parties involved, the educational establishment, in its compulsion to elevate the pursuit of academic goals above all else. Regardless of their financial dependence on wealth-generating industry and commerce, the schools, universities, polytechnics and even further education colleges are found by the Think Tank to concentrate on pushing people as far as possible into the scholarly stratosphere at the expense of more practical courses.

Remedies

To remedy these and multifarious other ills, the report makes a variety of proposals. Since I have not enough room to state them all here, readers who wish to study them in detail will need to obtain a copy of the document, *Education, Training and Industrial Performance*, published by the

Stationery Office at £4.25. For the moment it must suffice to say that as well as recommending mergers and takeovers to reduce the bewildering number of bodies responsible for training, the Think Tank proposes that employers' representatives be given a say in the design of syllabuses leading to all nationally recognised examinations including academic ones such as the General Certificate of Education and those for university degrees.

And this last proposal has provoked signs that the educational establishment, as well as suffering from the disorders already diagnosed by the report, is afflicted by persecution mania. The signs appeared the other day in the response to the Think Tank's review by the *Times Educational Supplement* which to my mind, regrettably in this particular case — the most influential specialist journal catering for professional educators.

I would not disagree with the "Ed Supp's" statement that the report delivers "a devastating and totally justified indictment of British industrial training." There is a measure of truth, too, in its comment that for the Government to continue leaving it to employers and unions to sort out what is wrong with industrial training "is like inviting a party of drunks to reorganise a distillery."

But the journal also insists on using the Think Tank's review in a distinctly partisan way which surely bodes no good for the majority of us who, having no axe to grind, are merely ground down by the hotchpotch of arrangements to which this country abandons the vital tasks of preparing and selecting people for jobs.

It is deplorable, the Ed Supp thinks, that shame at the disgraceful way industry organises training, has not prevented employers "from venting their ignorance on the schools." It adds that "it is by no means clear that industrialists know what industry needs from the education system, nor yet that they act out what they say they believe." From this, the journal evidently concludes that it would be foolish if the design of schools' curricula and examination syllabuses were to take account of the views of employers who by their own actions, "have shown themselves to be ignorant and inconsistent."

This yah-hoo-sucks-to-you response on behalf of the educational establishment, suggests to me where the Prime Minister needs to start if she wants to improve this country's grievously counter-productive arrangements for preparing and selecting people for jobs. It is by taking firm steps to show the formal education system

that it has neither the right, nor essentially the means to view itself as standing aloof from and superior to the other four main interests involved.

Where the national need is concerned, the fact that those involved can be divided into five main parties serves merely to confuse the issue. Really we require only two: those responsible for preparing people for working life, and those responsible for employing them effectively.

On the preparation side, the present distinction between education and training is largely artificial and should be at least much reduced. Its main effect is to prevent either of those two sectors from profiting fully from the expertise of the other, and to ensure that training is viewed publicly as something which is done to people who have failed in education. As a first measure, the Prime Minister should place responsibility for training clearly with one Whitehall department and see that it and its subordinate bodies co-operate with their educational counterparts.

Moreover, if the employers are "by no means clear" what sort of people they want, then it is surely up to those who do the preparing to take the initiative and find out what is wanted by the other side, which after all both finances and consumes the preparers' services.

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This advertisement is featured on page S99015 of Prestel

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Our present Foreign Exchange Manager returns to Norway and we are looking for his successor. Applicants are expected to show proven administrative skills, documented results from operating Euro-currency markets and preferably also from Euro-financial field. The Foreign Exchange Manager is executive staff member of the bank. Age of prospective candidate: around 30/40, University degrees in economics, business administration or other relevant education as well as perfect command of English and good knowledge of German and/or French are required.

A competitive salary and excellent working conditions will be offered. Date of entry in office: August/September, 1980.

Further information about this position may be obtained through Foreign Manager Kjell Tangen or Managing director Bjørn Lindvig, tel.no. 2 46 81 (Luxembourg). Written application complete with curriculum vitae should be directed before 23th June 1980, to: Bergen Bank International S.A. att.: Managing director Bjørn Lindvig, P.O.Box 383, Luxembourg.

Bergen Bank International S.A., Luxembourg, was established in 1976 and is owned by the following Norwegian commercial banks: BERGEN BANK A/S (65%), FORRETNINGSBANKEN A/S (25%), BØNDERNES BANK A/S (10%). Together the parent banks represent nearly 1/3 of the Norwegian commercial banking market. The main activity of Bergen Bank Int. S.A. is to offer short and medium term financing to the clients of the parent banks. Besides, the bank maintains an active role in the interbank market in Scandinavian and other foreign currencies.

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The personnel consultancy dealing exclusively with the banking profession

FOREIGN EXCHANGE ADMINISTRATION to £7,000
A well established consortium bank urgently seeks a young person to head-up its expanding foreign exchange area. The successful applicant will have an all-round experience from international or Merchant banking. contact RICHARD MEREDITH on 623 1266

SENIOR DOCUMENTARY CREDITS CLERK c £6,000
A major North American bank urgently require a documentary credits clerk. Applicants must have, at least three years' international or merchant banking experience covering opening, amending and paying. Letters of Credit, bills etc. The bank offers excellent potential progression within an expanding department. contact BRIAN GOOCH on 623 1266

LOAN ADMINISTRATION £6-7,000
Our client is a new Continental Bank, establishing its London office, with the intention of becoming particularly active in the Eurocurrency lending market. This is an outstanding opportunity for a young, self-motivated banker with experience in this field, to set up and run the department. contact KEVIN BYRNE on 623 1266

ACCOUNTS CLERK 20-25 £6,000
A well established, international bank, based in the EC2 area, is expanding its accounts department. Applicants should have at least 2-3 years' international or merchant banking experience, covering the following functions: Bank of England and management reports, accruals, profit and loss etc. This is a challenging position, with real opportunities for progression, and fringe benefits that rank among the best in the City. contact BRIAN GOOCH on 623 1266

First floor-entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Financial controller

Mail order merchandising
Wiltshire c£14,000 + car



The growth of this mail order merchandising business over the last five years has been exceptional and it is now one of the market leaders in its field. The company, which is part of a substantial UK group, is entering a new phase in its development and is well placed to increase its share in this growing market.

As part of a top level reorganisation there is a need for a really able qualified accountant to join the senior management team to direct the overall accounting effort and advise on all financial aspects of the business. There is a well established computer based accounting function and a staff of some 30 people.

If you are aged around 35 with substantial post qualifying experience in industry or commerce and have a lively, practical approach with a readiness to look at new ideas this opening offers excellent career prospects in a stimulating and demanding environment.

Resumes including a daytime telephone number to J G Cameron, Executive Selection Division, Ref. C249.

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They will individually make substantial first-year contributions to the business by selling, designing and leading major strategic and organisational studies for industrial and service companies in the UK. They will automatically become candidates for top management succession in a highly successful business.

These appointments are open to men and women.

Candidates, aged 36 to 45, must have a recent, relevant background in consultancy, with a professional UK or US firm of consultants. Experience of selling consulting projects is critically important.

First year salary £15-£18,000. Profit share. Top consultancy benefits.

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Financial Management

Unique career opportunities

West of London, c.£12,500-£14,000+car

This is a group with a turnover of £120m, which has several operating divisions mainly involved in the wholesaling and distributive trades. It is highly successful and is going through a programme of reorganisation and diversification, and now requires the following appointments to be filled:

Group Finance Manager

c.£14,000+car

Reporting to the Group Finance Director, the incumbent will take full responsibility for all group financial reporting and consolidation, plus the preparation of monthly group and certain divisional management accounts. Additional key tasks are control of the group treasury and taxation functions, capital expenditure reviews and ensuring that normal statutory requirements are met. Staff controlled number around 20. Ref: 18279/FT

Group Accounting Systems Manager

c.£12,500+car

Also reporting to the Group Finance Director, this position, with a small and highly experienced group management audit department, will exert considerable influence on group accounting systems development. Important areas include the review and monitoring of all group financial procedures, in relation to gross profit, working capital levels, stock control, fixed assets and bad debts, and close involvement in the integration of new acquisitions to the group. Ref: 18280/FT

For both appointments candidates will be aged 28-38, must be qualified accountants with outstanding financial management experience gained ideally in a fast moving and sophisticated multi-divisional environment.

Male or female candidates should telephone in confidence for a Personal History Form, quoting appropriate reference to: G. E. Forester, LONDON: 01-734 6852, Sutherland House, 5/6 Argyl Street W1E 6EZ

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Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Business Analyst

Middlesex, c.£10,000+bonus

Significantly increased activity has led to the creation of a new post of Business Analyst in a profitable U.K. subsidiary of an American multi-national operating in a demanding FMCG market. Reporting to the Manager, Corporate Planning responsibilities will include:

- * Regular review and evaluation of manufacturing and marketing performance, including recommendations for improvements.
- * Significant involvement in the preparation and analysis of all company plans.
- * Evaluation of investment proposals, including acquisitions.
- * On-going appraisals of the general business/economic environment as a basis for planning and investment decisions.

Candidates will have some relevant experience, and ideally will be numerate graduates with a post graduate business or professional qualification: they will be familiar with sophisticated financial analysis techniques, and must have sufficient ability to progress further in the Company. The benefits, including relocation assistance if appropriate, are above average.

J.A.T. Bowers, Ref: 21195/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyl Street, W1E 6EZ.

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Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Financial Accountant

Midlands, negotiable into five figures+car

This is a senior financial position within the Headquarters of a highly successful manufacturing and trading group based in the Midlands. Reporting to the Financial Controller, the duties are many and varied but revolve around the effective and profitable control of the financial and taxation affairs of the Group's European interests. Some foreign travel will be necessary. Candidates, aged 25-35, should be qualified accountants and ideally have had experience within the finance department of a major company or be holding a senior position with one of the larger auditing firms. Assistance with relocation is available where necessary.

R. R. Varley, Ref: 35129/FT. Male or female candidates should telephone in confidence for a Personal History Form to: BIRMINGHAM: 021-622 2961, Albany House, Hurst Street, B5 4BD.

Accountant - Caribbean

c US\$27,000+car+benefits

To take account of the company's continued rapid growth, Transnational Limited, a member company of one of the world's largest captive insurance management groups and based in the Cayman Islands wishes to recruit an additional accountant on a permanent career basis.

The successful candidate, a qualified accountant, preferably married and aged between 26 and 30 years would be responsible to the Chief Accountant for the detailed accounting of client insurance companies. It is expected that candidates offer sufficient knowledge and experience of accounting functions and related responsibilities normally associated with insurance companies. There will be occasional business trips to the USA and Bermuda.

Employment offers excellent permanent career prospects and the opportunity of realistic savings from local tax free salary. Benefits will include a company car, company mortgage scheme at preferred rate for local house purchase, free pension, medical and life insurances. Well equipped housing will be provided during initial settlement period at low rental. Local schools and nursery school available and good sporting facilities.

Please write in confidence for further details and application form to: Michael R. Andrews, Executive Selection Division, Southwark Towers, 31 London Bridge Street, London SE1 9SY, quoting MCS/7012.

Price
Waterhouse
Associates

A Career Opportunity in Securities

Forward Trust is one of the leading finance houses in the country and a member of the Midland Bank Group. Due to expansion we have an urgent requirement for an additional experienced person to handle securities for the Credit Division at our Head Office, Five Ways, Edgbaston, Birmingham.

The position involves a variety of work in connection with secured lending, including the preparation of mortgages, and close liaison with interested parties both within and outside the company. The ideal person will already have gained securities or conveyancing experience, probably from a banking, legal or building society background, and will now be looking for continued development and the opportunity for further advancement within the group.

To the person with this type of experience we will pay a starting salary of around £5000; assistance will be given with relocation expenses where appropriate. We operate a non-contributory pension scheme and offer other benefits normally associated with a major banking group.

Candidates, male or female, should telephone or write for further information to:

Mrs. A.E. Finney.

Forward Trust Limited

12 Calthorpe Road, Edgbaston,
Birmingham B15 1QZ.

Tel: 021-454 6141 (Ext. 274).

A subsidiary of Midland Bank Limited

Financial Controller

North London Up to £10,000 + Car

An exciting opportunity exists for an experienced Financial Controller to join the dynamic management team of an expanding North London furniture manufacturer.

Our client seeks either a qualified Accountant or a financial entrepreneur who can demonstrate a sound background in an industrial, commercial or professional environment.

The successful applicant will be a determined professional who is able to make a significant contribution towards the continued success of this expanding operation.

A substantial remuneration package includes an initial salary of up to £10,000 p.a., negotiable on an individual basis, together with an executive Company Car and a full range of valuable fringe benefits.

To the right person, the opportunities for further career development are outstanding.

Applicants, male or female, should apply initially to the address below giving brief details of their career to date. Applications should be marked 'Confidential' and include a covering note indicating any organisation to which they should not be forwarded.

Please quote reference number and address applications to: S. M. Stallworthy, Ref: FC/4302

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Recruitment Services

21-22 POLAND STREET LONDON W1V 3DD

Chief Management Auditor

With the ambition and ability to
develop this new role

The London Borough of Southwark is an important inner London Borough with progressive policies and ambitious future plans. As a result of this we have recently reorganised a number of activities and have created the new position of Chief Management Auditor.

It is an appointment offering unique scope to work closely with Management Services on important corporate projects. These will include carrying out special audit investigations, reviewing current systems and responsibility for all capital expenditure — likely to be in the region of £60m in 1980/81. The role demands someone with flair, initiative and the ability to think on your feet in a high pressure environment. You should be a professional accountant with at least 2 years' post qualification experience and the ambition to develop this role and take full advantage of the unrivalled career progression that is available.

Salary will be in the region of £10,500-£11,500 p.a. with a review in July and the full local benefits including an essential car user allowance and relocation expenses, if required. Our offices are within easy reach of London Bridge Station, but why not find out more by contacting Bob Coomber, Assistant Borough Treasurer on 01-237 6677. Telephone 01-701 2870 any time for an application form, or write on a postcard to: The Personnel Officer, London Borough of Southwark, 27 Peckham Road, London SE5 8UB. Please quote reference FT/2/1467 and job title. Closing date: 23rd June 1980.

Southwark

ACCOUNTANT LONDON E.1.

A subsidiary of a well known Construction Group controls a 30-acre diversified property development close to the River Thames.

The environment is stimulating and demanding and an accountant is required with the right temperament for this scene. Reporting to the Chief Accountant, the successful applicant will be primarily responsible for day-to-day accounting control and the preparation of monthly management accounts and operational and Group budgets. Property experience would be advantageous.

An attractive salary and benefits will be offered.

Apply in writing to:—

Mr. C. J. Leamy
St. Katharine By The Tower
Limited
52, St. Katharine's Way,
London E1 9LB



Finance Director

South East circa £15,000 p.a.+ car

The company is a successful and autonomous part of a major international engineering group. Reporting to the Managing Director, the Finance Director will be required to make a significant impact on all aspects of the business as well as leading an established finance organisation.

Ideally, applicants should be Chartered Accountants, 30 to 35 years of age, with current experience of heading up the finance function of an engineering company producing capital goods for home and overseas markets and employing over 1,000 people.

Additionally, they should be well versed in shop floor disciplines and controls, sound commercial practices and be able to make a contribution to systems development and the use of computers.

Located in a pleasant part of S.E. England, the appointment carries an attractive remuneration package and assistance with re-location expenses where appropriate.

Applications from men or women, giving career and personal details, should be sent to Position Number APF 383, Austin Knight Limited, 35 Peter Street, Manchester, M2 5GD. Applications are forwarded to the client concerned, therefore, companies in which you are not interested should be listed in a covering letter.



Austin Knight Advertising

Rowe & Pitman

Member of The Stock Exchange London

Rowe and Pitman are looking for a young salesperson to join a specialist team servicing UK and European institutions on Hong Kong, Malaysian and Singapore securities. The job may involve travel to that area.

Applications in confidence with full curriculum vitae to:—

P. N. Smith, Esq., Staff Manager,
Rowe & Pitman,
1st Floor, City-Gate House,
39-45 Finsbury Square,
London EC2A 1JA

R & P

Group financial accountant

Southern Home Counties, c£11,000 + car



The company, A quoted medium sized international manufacturing group.

The job. Responsibility is to the Group Financial Director for the preparation of monthly and statutory accounts and the treasury function. As a member of a small head office team you will also assist in identifying and exploiting areas of growth and in corporate and tax planning.

The candidate. You should be a chartered accountant with sound technical skills preferably with some commercial or industrial experience. Promotion prospects are good.

Salary negotiable around £11,000 with car, attractive fringe benefits and relocation costs.

Resumes including a daytime telephone number to E.J. Robins, Executive Selection Division, Ref. RF450.

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Shelley House, Noble Street London EC2V 7DQ

MANAGEMENT ACCOUNTANT

This leading European Bank is currently seeking an ambitious banker with a proven track record within an accounts environment. The successful candidate will have in-depth knowledge of management reports, budgets and ad-hoc investigations, with the ability to take responsibility for this particular section. The usual fringe benefits apply: mortgage, season ticket, etc. Age 25-30. Salary £8,500 neg. For further details please call—

Mike Blundell Jones, 01-439 4381

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£12,500 + Car + Discretionary Bonus

★ The company is the UK subsidiary of a major US food group whose worldwide sales are in excess of \$2,500m. Turnover in Britain is over £60m and profitability is good.

★ The position offers a wide variety of experience and responsibilities including staff management and involvement with general business problems such as new product development. Regular contact and liaison with both US and local management is a strong feature of the job.

★ The company is based in N. London and its remuneration package includes appropriate removal expenses and a subsidised staff restaurant.

★ The position is open to both men and women.

Please reply in confidence, quoting Ref. U862 giving concise personal, career and salary details to R. G. Billen - Executive Selection.



Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 3NL

European Financial Analysis

to £15,000

An experienced financial analyst with international experience preferably gained in an American Multinational is required to head up and co-ordinate the function at the European H/Q of a major US Corporation whose activities include manufacture, distribution and selling throughout the Continent.

There is scope to influence the development of the activities at a field company level. Success in this role would lead to further opportunities in analysis, financial control or General Management which extend to the USA in addition to Europe.

Applicants should hold a good degree, plus MBA or professional qualification and be in their early 30s. The base location is West of London. Re-location assistance is available.

Please write in confidence to B. H. Mason, 78 Wigmore Street, London W1 H 9DQ, showing clearly how you meet our client's requirements, quoting 6017/FT. Both men and women may apply.

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...and Partners...

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Head of Exploration

To direct worldwide petroleum exploration activities of a newly formed subsidiary in London.

Wide international experience required.

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INBUCON

Financial Controller Director Designate

c£12K + bonus + car

An autonomous company located in the North of England needs a Financial Controller/Director Designate. The Company, part of a multinational group, manufacturing electronic components, has an impressive record of growth in U.K. and export markets, with sales about £10 million. Reporting to the Managing Director, the Controller will be responsible for the total finance function which includes the international reporting of results. The ideal specification would stipulate a Chartered Accountant, aged 35-45, with significant experience in manufacturing industry, preferably in high volume manufacture. Applicants would currently have full financial responsibility of a similar sized or smaller company, or a comparable division in a larger enterprise, but above all must be able to manage and provide key information for decisions at Board level. Compensation as indicated and commensurate benefits.

Career prospects - virtually unlimited within the company and beyond into multinational opportunities.

Would candidates please contact J.C. Newby in the highest confidence.

INBUCON MANAGEMENT CONSULTANTS LIMITED
Yorkshire House, 27 East Parade, Leeds LS1 5SF.
Tel: Leeds (0532) 35905.

WANTED EUROBOND DEALING SPECIALIST

A multilingual Eurobond trader is required for a small but growing Securities Dealing Room. Preference will be given to the person having expertise in convertible bonds with particular regard to the Japanese sector. An attractive salary and range of benefits will be offered. Candidates should reply in their own handwriting giving brief c.v. to: Box A778, Financial Times, 10 Cannon Street, EC4A 3DF.

Central Regional Council

INDUSTRIAL DEVELOPMENT UNIT

Industrial Promotion Officer

Industrial Development Unit, Viewforth, Stirling
Salary: P.O. II £8,665-£9,379
35 hours per week to be worked in accordance with the exigencies of the service.

The Regional Council's Industrial Development Unit is responsible for attracting new investment and encouraging the growth of existing industry and carries this out on behalf of the three District Councils. To strengthen the Industrial Development Unit, an Industrial Promotions Officer is to be appointed who will be responsible to the Industrial Development Manager.

He or she will have considerable experience in industry or commerce and will have been involved in activities at national or international level; the ability to respond quickly to challenge and to take a fresh and vigorous approach is essential; strength in a specialised field such as finance, marketing or commercial negotiation will be of special interest; mobility will be essential, while a second or third language will be desirable. Travelling allowance facilities available. Assistance towards expenditure incurred in connection with removal expenses/disturbance allowance/legal fees will be given where appropriate. Applications in writing stating age, experience and qualifications together with the names and addresses of two referees should be sent to the Industrial Development Manager, Central Regional Council, Viewforth, Stirling, within 10 days of the appearance of this advertisement.

GROUP COMPANY SECRETARY

A Professional Consultants Organisation with operations in the UK, Europe and the Middle East require a Group Secretary to be based in either Edinburgh or Glasgow.

Applicants should be qualified accountants with three to five years' experience in industry or in the corporate business section of the profession.

Particular value will be attached to a younger person with the ability to adapt and grow with the organisation.

Apply in the first instance for an application form to: Box A7156, Financial Times, 10 Cannon Street, EC4A 3DF

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A long-established profitable company in a process industry has a turnover in excess of £150m and plans to strengthen its financial control function. The initial appointment will be to the position of Chief Management Accountant and the prime task will be to develop further the accounting and information systems to enable management to control the business more effectively. He or she will direct 30 management accounting and costing personnel and will absorb additional duties related to corporate internal performance evaluation after a short period of time. Applicants, preferably having further qualifications in Business Studies, will be qualified accountants aged between 32-42. Broad experience at a senior level in

management accounting, planning and control, and in the development of computerised systems is required. A background in a multinational organisation with interests in the chemical or allied industries would be an advantage. Salary is negotiable around £16,500 and other benefits include company car. Location: Essex.

Ref. AA3/7358/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



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Please reply to:

A. G. Wright, Staff Manager,
Phillips & Drew,
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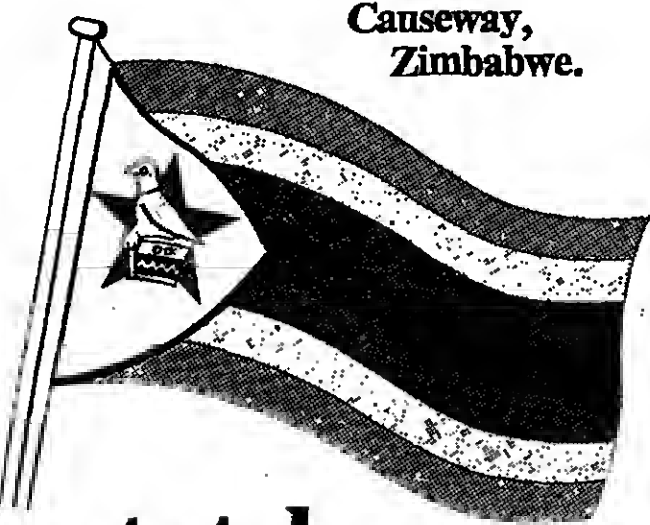
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Your country is entering a new era of peace, prosperity and advancement. The skills of many people are needed to help run the Public Service.

You could be part of this exciting development and carve out an extremely rewarding career for yourself. If you are qualified and experienced in your profession, you could contribute meaningfully to the growth of Zimbabwe. The Public Service needs skilled men and women to help run the country.

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The Secretary,
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Box 8080,
Causeway,
Zimbabwe.



Come home. It's time to take your place in Zimbabwe.

Lintas PS 1300

DEPUTY FINANCIAL CONTROLLER

Circa £15,000

London Co-operative Society Limited is a multi-trading organisation based in Stratford, East London, with approximately 12,000 staff and turnover exceeding £230m. We wish to appoint a Deputy Financial Controller following the retirement of the present incumbent as Financial Controller.

The Financial Controller reports to the Chief Executive Officer and is responsible for all aspects of finance and EDP, with special emphasis on the preparation of management information and periodic accounts and in particular, ensuring that financial resources are properly planned and controlled.

The Deputy Financial Controller will be responsible to the Financial Controller and

assist him over the whole range of his duties and will be responsible for certain specified functions as determined by the Financial Controller.

The successful candidate will be a well qualified accountant with considerable experience in a commercial company using computerised planning and budgeting procedures.

The commencing salary will be around £15,000 per annum. Assistance may be given with removal expenses.

Candidates should write to the Personnel Manager, Mr. R. L. Jacob, London Co-operative Society Ltd., 54 Maryland Street, Stratford, E15 1JE, giving full details of qualifications and experience.

*Co-operation fights
inflation*

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OP**

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Telephone for application form to:
Pamela Watson
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01-429 1205

APPOINTMENTS WANTED

FINANCIAL DIRECTOR

Experienced Financial Director, aged 33 with MBA INSEAD, Fonziebureau, Chartered Accountant FCA. Recent experience in France, Germany, Spain and Venezuela. Seek stimulating position in expanding company. Willing to work abroad.
Write Box A7174, Financial Times, 10 Cannon Street, EC4P 4BY.

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TAX

£7-10,000 + car

Outer London (Bucks)

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Someone with a background in tax is required for a supervisory position. An attractive opportunity to broaden experience and gain managerial responsibility.

**Career
plan**

Please apply:
Sir Timothy Hoare Career Plan Ltd.
Chichester House, Chichester Road,
London WC2A 1EG Tel: 01-542 5775

ASSISTANT TO CHIEF ACCOUNTANT

A conscientious, numerate man or woman is required by a publicly quoted property investment company to assist newly appointed Chief Accountant. The successful applicant will be aged 27/40 years, unlikely to be a qualified accountant but nevertheless have a background and experience of accounting, together with a willingness to assist in all aspects of compact Accounts Department including general administration. A salary of £7,000-£8,000 per annum is envisaged, together with a car and excellent corporate incentives.

Apply in writing in the first instance to:

Victor Lucas
Regional Properties Limited
26 Albemarle Street
London W1X 3FA

VICKERS LIMITED

Group Planning Director (Designate) Engineering

Reading Area

Our clients, Vickers Limited, seek a group planning director (designate) for their engineering group. This operates world wide and comprises a wide range of businesses based in this country with a total annual turnover of £150 million.

The candidate appointed will assist in the formulation of development plans for existing businesses and develop a group strategy. This will also involve the study of new acquisitions, negotiations, and the integration of new divisions into the group. Ideally candidates should be mechanical engineering or similar graduates with a financial qualification or an MBA. Financial orientation and the ability to take a total view of a potential business are essential requirements. Previous experience should desirably include corporate planning at senior level as well as line management. Involvement in a high technology industry would be an advantage. Preferred age: 33-45.

An attractive starting salary will be negotiated and fringe benefits will include a company car and membership of the group pension scheme. Assistance will be given with relocation where necessary. Promotion prospects within the group are excellent.

Applications are invited from men and women, who should write in confidence to Charles Rich or telephone (24 hour answering service) for a personal history form quoting reference R/25177.

The P-E Consulting Group Appointments Division
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

PE



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Our client, a leading international manufacturer and distributor of sophisticated office equipment and systems, has an annual turnover in the region of £10m, including export sales, and an impressive growth rate. The Financial Controller has broad responsibilities and is expected to make a major contribution to the management team. Candidates, aged 28-45 and qualified, must have previous management experience, preferably gained in a small/medium sized company. Experience of computerised systems is essential. Applicants must be strongly self-motivated, have excellent business awareness and also possess good team-management skills. The position carries attractive fringe benefits and offers first class career opportunities.

E. Sutton, Ref: 17125/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyle Street, W1E 6EZ.

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Paris

FFr.200,000 p.a.

Our client is an expanding multi-national company engaged in electronic security systems. Their requirement is now for a Financial Controller to head up the European Controllership function based at the headquarters in Paris.

Candidates must be fully qualified accountants, probably aged between 30-35, who have had a sound financial training with a major auditing practice followed by relevant experience in commerce, ideally in a multi-national environment in Europe. A command of French and German would be other important advantages.

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Ref: AA567357/FT. Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services. Men and women may apply.

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Successful applicants will preferably be graduates aged 24-28. Relevant experience in commercial law or with an international firm of chartered accountants will be considered an advantage.

The work will cover all aspects of Corporate Finance and prospective candidates should be willing to travel, both on short-term assignments and on longer-term secondments. A substantial part of the Department's work is concerned with the Middle and Far East.

An attractive salary, which will depend on experience, will be negotiated.

Applications, which will be treated in complete confidence, should be sent with a brief curriculum vitae to:

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99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
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High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
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High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

FOREIGN BONDS & RAILS

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

AMERICANS

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

BANKS & HP—Continued

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

CHEMICALS, PLASTICS—Cont.

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

DRAPERY AND STORES

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

ENGINEERING—Continued

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

ENGINEERING—Continued

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

FOOD, GROCERIES—Cont.

High	Low	Stock	Price	Yield	Div	Yield
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00
99.5	99.5	FT 100 Index	100.00	10.00	10.00	10.00

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

WAKO SECURITIES CO., LTD.
Tokyo, Japan
Wako International (Europe) Ltd.
15th Floor, One World, London Wall, London
EC2Y 7EX, U.K.
Tel: (01) 555 7325 Telex: 884020, 884020
General Representative Offices:
6 Rue d'Alsace, 1204, Geneva, Switzerland
Tel: (022) 21 88 52 Telex: 282528

Stock	Price	Change	Volume	Value
British Petroleum	245.00	+1.00	100	24,500
Shell	235.00	+1.00	100	23,500
Esso	225.00	+1.00	100	22,500
British Airways	185.00	+1.00	100	18,500
British Telecom	175.00	+1.00	100	17,500
British Steel	165.00	+1.00	100	16,500
British Overseas Airways	155.00	+1.00	100	15,500
British Airways	145.00	+1.00	100	14,500
British Airways	135.00	+1.00	100	13,500
British Airways	125.00	+1.00	100	12,500

Stock	Price	Change	Volume	Value
Anglia TV	67.00	+1.00	100	6,700
Anglia TV	66.00	+1.00	100	6,600
Anglia TV	65.00	+1.00	100	6,500
Anglia TV	64.00	+1.00	100	6,400
Anglia TV	63.00	+1.00	100	6,300
Anglia TV	62.00	+1.00	100	6,200
Anglia TV	61.00	+1.00	100	6,100
Anglia TV	60.00	+1.00	100	6,000
Anglia TV	59.00	+1.00	100	5,900
Anglia TV	58.00	+1.00	100	5,800

Stock	Price	Change	Volume	Value
British Overseas Airways	155.00	+1.00	100	15,500
British Airways	145.00	+1.00	100	14,500
British Airways	135.00	+1.00	100	13,500
British Airways	125.00	+1.00	100	12,500
British Airways	115.00	+1.00	100	11,500
British Airways	105.00	+1.00	100	10,500
British Airways	95.00	+1.00	100	9,500
British Airways	85.00	+1.00	100	8,500
British Airways	75.00	+1.00	100	7,500
British Airways	65.00	+1.00	100	6,500

Stock	Price	Change	Volume	Value
British Overseas Airways	155.00	+1.00	100	15,500
British Airways	145.00	+1.00	100	14,500
British Airways	135.00	+1.00	100	13,500
British Airways	125.00	+1.00	100	12,500
British Airways	115.00	+1.00	100	11,500
British Airways	105.00	+1.00	100	10,500
British Airways	95.00	+1.00	100	9,500
British Airways	85.00	+1.00	100	8,500
British Airways	75.00	+1.00	100	7,500
British Airways	65.00	+1.00	100	6,500

Stock	Price	Change	Volume	Value
British Overseas Airways	155.00	+1.00	100	15,500
British Airways	145.00	+1.00	100	14,500
British Airways	135.00	+1.00	100	13,500
British Airways	125.00	+1.00	100	12,500
British Airways	115.00	+1.00	100	11,500
British Airways	105.00	+1.00	100	10,500
British Airways	95.00	+1.00	100	9,500
British Airways	85.00	+1.00	100	8,500
British Airways	75.00	+1.00	100	7,500
British Airways	65.00	+1.00	100	6,500

MINES—Continued

Stock	Price	Change	Volume	Value
Anglo American	245.00	+1.00	100	24,500
De Beers	235.00	+1.00	100	23,500
Anglo American	225.00	+1.00	100	22,500
Anglo American	215.00	+1.00	100	21,500
Anglo American	205.00	+1.00	100	20,500
Anglo American	195.00	+1.00	100	19,500
Anglo American	185.00	+1.00	100	18,500
Anglo American	175.00	+1.00	100	17,500
Anglo American	165.00	+1.00	100	16,500
Anglo American	155.00	+1.00	100	15,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

TEAS

India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

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India and Bangladesh	Price	Change	Volume	Value
India	245.00	+1.00	100	24,500
Bangladesh	235.00	+1.00	100	23,500
India	225.00	+1.00	100	22,500
India	215.00	+1.00	100	21,500
India	205.00	+1.00	100	20,500

CATERER

S (Miscel)

